CLASS
DATE

FINANCIAL TIMES

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WORLD NEWS

Soviet Union cool over US arms offer

President Reagan's new arms control proposals—formally tabled at the Geneva talks yesterday—failed to remove the Soviet Union's pessimism about the prospects of an agreement with the US on reducing nuclear weapons.

The Soviet official news agency, Tass, said the measures were inadequate because they were an "old commodity in new wrapping." Back Page

Athens bus blast

A home-made time bomb, placed o na bus in the centre of Athens, Greece, wounding 20 people. Most were students.

Lebanese pact likely

Representatives of the Christian, Shi'ite Amal and Druze militias in Lebanon are expected to sign a peace pact tomorrow in the Syrian capital of Damascus.

Tamils die in fighting

Sri Lanka's defence ministry said that 10 Tamil separatists were killed yesterday in a battle against troops in the north-west.

Tanker blaze kills 39

At least 39 people were killed and 80 injured when a petrol tanker caught fire in the southern Indian state of Karnataka. Most of the victims had gathered round the tanker after it skidded into a ditch.

TV soccer talks fail

The Football League said talks with television companies over live broadcasts had broken down irretrievably. Page 5

Ballinspittle charges

Three men were charged yesterday with malicious damage on Thursday night to the Virgin Mary statue at Ballinspittle in Co Cork, Ireland. Thousands of pilgrims have visited the shrine since claims that the statue moves.

Union set to conform

The left-led National Communications Union looks set to change its rules to conform with the 1984 Trade Union Act. Several large unions have already done so. Page 7

Doctor charge unlawful

The High Court ruled that a charge of alleged professional negligence brought by the General Medical Council against Harley Street slimming consultant Dr Sidney Gee was unlawful.

Paris march ban defied

French police seized 17 demonstrators from among 1,000 who defied a Paris ban on a march supporting human rights in Algeria.

Bridge builders killed

Six workmen building a brige near Funchal on the Portuguese island of Madeira were killed when a section collapsed. Five others were hurt.

Stowaways' diet

Four Moroccans who stowed away on a ship bound for Britain survived for six days by eating the cargo of animal food. They are now in Exeter prison under a detention order.

Playing for real

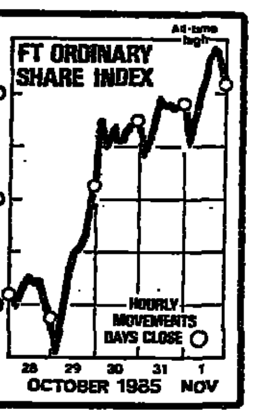
Swansea City Football Club said £4,500 wages owed to players and staff could only be paid if today's home match produced sufficient income. The club is due to face a winding-up application soon over Inland Revenue debts.

BUSINESS SUMMARY

FT Index climbs to new peak

THE FT ORDINARY share index closed yesterday at a new record high, 1,070.6, up 1.5 points on the day and nearly 20 on the week.

The sustained record breaking run followed steady demand from institutions for a range of



top quality industrials, particularly those with overseas earning potential.

Takeover speculation was a major factor, boosting Midland Bank and Distillers on rumours of bids from BP and Seagrams respectively.

Meawhile the Dow Jones Industrial Average was also at an all time high, up 8.83 to 1,383.14 at lunchtime, buoyed by hopes of lower oil prices.

BRITISH companies are less profitable than their international rivals, despite a rise in profitability since 1981. Page 4

GOVERNMENT plans to compel local authorities to invite tenders from private companies for providing services such as refuse collection and school meals have been dropped. Back Page; Queen's Speech, Page 5

CATERPILLAR Tractor has negotiated an unusual pay deal with engineering workers at its Leicester plant, providing a 7 per cent rise in return for secret ballots on strike action, acceptance of short-term employment contracts and greater job flexibility. Page 7

THOMSON Holidays raised the pitch of holiday discount fever by doubling the number of £25-a-week packages on offer to 1,000. Page 4

REVLON, the US cosmetics and health group, conceded defeat in its 10-week battle to fend off a takeover bid by Pantry Pride, the Florida-based supermarkets group.

AUSTRALIAN food groups Fielder Gillespie Davis and Allied Mills are planning a merger with New Zealand's biggest baker, Goodman Group. The merged group would be capitalised at A$925m (£447m) with a turnover of A$1.3bn.

HABITAT, the housewares and furnishings group, is planning to open at least 23 new stores on out-of-town sites shared with D-I-Y superstores.

PUBLIC SPENDING: The Star Chamber committee appears to have settled most differences of over next year's spending although problems remain over housing and defence. The Autumn Statement this year will contain detailed projections for three years instead of the usual one year. Back Page

CONTINENTAL and Industrial Trust, a UK investment trust advised shareholders against selling shares at present prices, raising expectations of a takeover battle with South African insurance group Liberty Life. Page 10

Tin council advances emergency meeting after Brittan appeal

BY STEFAN WAGSTYL

THE British Government yesterday intervened in the international tin crisis, prompting initiatives to try to save the tin market from collapsing into chaos. Following an appeal from Mr Leon Brittan, Trade and Industry Secretary, the International Tin Council advanced its planned emergency meeting by a week, to next Wednesday.

Mr Brittan made clear his priority was for the council, which is the consumers' and producers' price-pact agency, to find ways of honouring its debts to bankers and metal brokers on the London Metal Exchange. The debts run to hundreds of millions of pounds.

The LME immediately responded by extending the suspension of tin trading until after next Friday, to give the council and its member government more time to find ways of preparing an orderly resumption or trading. Trading has been suspended since October 24, when the council announced that it had run out of money to buy metal on the LME to support tin prices.

The government initiative was welcomed by LME traders and council officials as the first attempt to sove the crisis since the council's last emergency meeting ended in deadlock on Wednesday.

The way was paved for Mr Brittan's move in hurried meetings between officials of the Trade and Industry Department, the metal exchange, the council (the creditor banks and the Bank of England.

Mr Nigel Lawson, Chancellor, Sir Geoffrey Howe, Foreign Secretary, and Mr Robin Leigh-Pemberton, Governor of the Bank, were also involved.

Mr Brittan said: The objective should be to enable all ITC's legal commitments outstanding on October 24 to be met, but that no new commitments are undertaken by the council save for that purpose."

It is understood the Government is willing to meet its share of these obligations, which amount to about 4 per cent of the total.

Altogether the council has contracts with LME brokers and their associates for about 68,000 tonnes of tin, worth more than £600m at £9,000 a tonne. In addition, the council has bank borrowings well above £100m which have helped to fund its stockpile of tin metal.

The measure of Mr Brittan's success will be how far other member-governments respond to his appeal, which was flashed around the world on telex machines to the capitals of the 22 member countries.

Among producers Malaysia, Indonesia and Thailand and the most influential. The leading consumers are other EEC countries and Japan.

None of these countries will necessarily share Britain's main concern, which is for the future of the metal trade in London and of the City's place in world financial markets. Britain, however, will argue that all have a responsibility for the debts.

A key problem is that the amount of new money or guarantees needed is impossible to quantify because the potential loss on the ITC's stockpile and on outstanding forward contracts depends on how far the tin price falls below its £8,140-a-tonne suspension price when trading resumes.

It is possible that any deal will involve agreement by the producer countries, the LME and banks holding tin as collateral, to keep stocks of metal off the market for some time to come. In these negotiations the British Government and the Bank seem likely to play an important guiding role.

The Bank, however, takes the view that the crisis is not sufficiently grave to warrant direct intervention. It has not received any formal request for help from either the LME or the banks.

Last night bankers said they
Continued on Back Page
Overseas reaction, Page 3

NCB imposes conditions for NUM pay offer

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE National Coal Board yesterday pressed home its advantage over the National Union of Mineworkers by refusing to make a pay offer until the union gives written guarantees that it will negotiate on incentive payments.

The executive of the union, which decided at its annual conference in July to oppose the negotiation of incentives, will meet on Wednesday to determine its response. A number of executive members admitted grimly yesterday that they had been trapped by the board into a corner from which they could not easily escape.

In the five hours of discussion, the union verbally conceded the principle that it will agree to negotiate on incentive rates. It has not yet acceded to a second request, to accept a specific incentive sheme for all miners whih will produce more money for better attendance and safety records.

The main sticking point for the union is the board's insistence that the union give written guarantees on both the principle and the specific scheme. The executive faces the hard decision of formally committing the union to a payment system which its dominant left wing has long abhored for dividing miner from miner and pit from pit.

The alternatives of refusing to negotiate would — as some executive members conceded yesterday — leave the union open to further losses of members to the breakaway union of Democratic Mineworkers, based in the Nottinghamshire and south Derbyshire coalfields.

The leadership of these areas have already approved an offer which would add £5.50 across the board to basic rates and £2.50 a week to average incentive rates. Three incentive schemes have been offered in outline and will be explored further once the basic and incentive rate increases are accepted. A ballot in the two independent areas is expected on November 8, and area officials believe the vote will be overwhelmingly for acceptance.

Some executive members believe the board will, when and if it sets a level of increase for the NUM, offer a lower incentive rate and possibly even a lower basic rate than that offered to the UDM areas. A figure of only £1.50 on weekly incentive rates was apparently mooted in yesterday's talks, but it was not clear whether this was an opening gambit or a final offer.

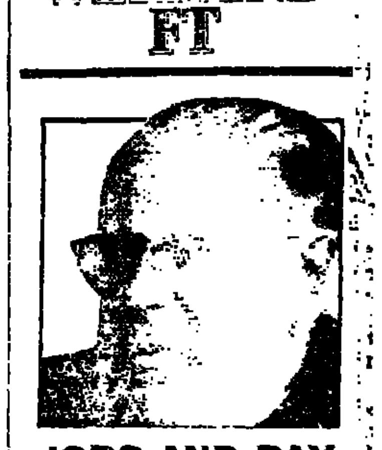
Mr Arthur Scargill, the NUM president who led the NUM side, made little comment after the meeting—though he said he would not be surprised if part of the board's aim was to encourage the growth of the breakaway union.

The board side was led by Mr John Northard, director of operations, supported by Mr Ken Moses, the technical director and Mr Kevan Hunt, head of the industrial relations department—none of whom would comment after the talks.

In a terse statement, the board said only that it had stressed it needed an unequivocal commitment from the union to co-operate with the board's strategy to reduce costs by increased efficiency and productivity on the basis of incentives. The board told the union it was prepared to negotiate further when this commitment was received in writing.

Pay prospect to tempt NUM, Page 6

WEEKEND FT

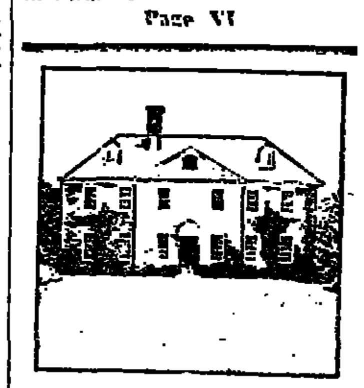


JOBS AND PAY

Are employers and citizens? Should productivity deals be scrapped? Samuel Brittan takes a provocative look at jobs, pay and morality.
Page I

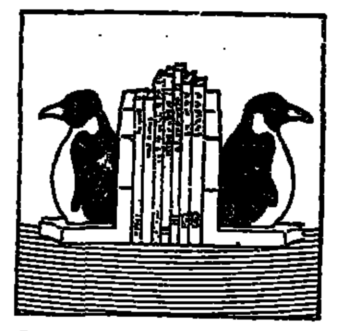
ADDING ASSETS

Philip Chappell from the Centre for Policy Studies advocates a novel way to encourage private investment
Page VI



STYLE ON SHOW

The Treasure Houses of Britain went on exhibition in Washington this week.
Page XV



GIFTS BY POST

Lucia van der Post offers a comprehensive guide to Christmas gifts by mail order.
Page XI

South Africa set to put curbs on foreign press

BY ANTONY ROBINSON IN JOHANNESBURG

THE South African government was last night preparing to impose severe restrictions on television, radio and press coverage of the unrest which has cost more than 800 lives in the past 18 months. The move follows months of mounting criticism of the foreign media.

No television crews, radio sound recordists or still photographers will be allowed to cover any unrest, including strikes and boycotts, in the areas covered by the state of emergency without police permission. These areas include the main industrial conurbations around Johannesburg and the Transvaal and the Western and Eastern Cape.

The press will be allowed into areas of unrest only with the assistance of the police.

In areas not covered by the state of emergency journalists will be subject to severe restrictions if unrest breaks out. At the first sign of trouble television crews will be obliged to leave the area without taking pictures while press journalists will have to report to the nearest policeman.

The regulations will drastically curtail the flow of

Lord Barber, chairman of Standard Chartered Bank, and a former Chancellor of the Exchequer is to be the British representative on the Commonwealth group seeking to mediate between blacks and white in South Africa. The decision to form the group was taken at the Commonwealth leaders' meeting last month. Page 5

dramatic, uncensored television footage of violence. This has given a world audience a vivid image of the conflict while posed only to heavily censored South Africans have been exstate television reports.

The restrictions, hinted at by President P. W. Botha in his speech to the Foreign Correspondents Association on Thursday night, reflect the Government's belief that foreign media coverage of violence, rather than repression itself, is responsible for prolonging the unrest and damaging South Africa's image abroad.

Last night a bomb ripped through the offices of the Institute of Bankers of South Africa on the second floor of a Johannesburg department store building. The bomb had been placed in the lift. A woman was taken to hospital with shock.

The explosion came as police were winding up a large-scale operation in central Johannesburg. This was carried out to prevent a repetition of events over the previous two Fridays when gangs of black youths broke shop windows and engaged in running fights with the police.

Small groups of soldiers with dogs were on patrol while police arrest wagons were parked along the shopping streets in the area close to Johannesburg station. Earlier police had set up roadblocks on the road leading from the black township of Soweto and checked black passengers as they arrived at the railway station.

The wave of arrests which has followed the extension of the state of emergency to the Western Cape has raised the total held under emergency laws to 5,876, of whom 1,152 are still in detention.

The terms of the emergency
Continued on Back Page

New four-year pact on EEC steel sales to US

BY PAUL CHEESERIGHT IN BRUSSELS

RESTRICTIONS ON European Economic Community steel exports to the US are being extended in a new four-year agreement, negotiations for which finished yesterday.

The agreement sets out market shares or tonnages for all EEC steel shipped to the US, except for semi-finished products and six other special items. "It ensures trade stability and makes it possible to preserve our export interests," said Mr Willy de Clercq, the external relations commissioner.

But the effect of the agreement in relieving tensions in US-EEC trade was diminished when the US placed duties of up to 40 per cent on EEC pasta and the EEC retaliated by raising its tariff on US lemons to 20 per cent and to 30 per cent on walnuts in shells.

These moves spring from a long-running dispute about preferential arrangements, claimed by the US to damage its interests, given by the EEC to Mediterranean producers. The total value of the trade hit by
Continued on Back Page

FT 500—in Europe and UK

The FT today publishes the annual FT 500 — a survey of the top 500 European and the top 500 UK companies, ranked by market capitalisation.

For the first time the survey also covers the top 100 UK investment trusts.

We look at which companies have performed best on Europe's stock markets in the past year — and those which have done worst. The eight-page survey starts on Page 11.

Yen at $4\frac{1}{2}$-year high against $

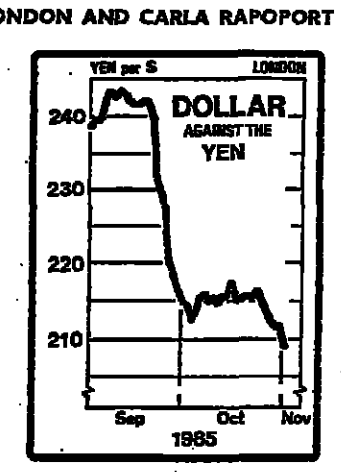
BY ALEXANDER NICOLL IN LONDON AND CARLA RAPOPORT I N TOKYO

THE JAPANESE yen rose to a 4½-year high against the dollar on the foreign exchange markets yesterday as the higher short-term domestic interest rates which have boosted the currency also led to further heavy falls in Tokyo share prices and Japanese government bonds.

The dollar had fallen to Y209.85 by the London close and dipped below this level by the mid-session in New York. It had fallen Y2 in Tokyo earlier yesterday to 209.85, making a Y6 fall this week and a decline of about 13 per cent since the five leading industrialised countries agreed in September to act to reduce the dollar's value.

Expectations that the yen would appreciate still further were bolstered by the Bank of Japan's intervention in the Tokyo market to sell dollars after the US currency had fallen through Y210, which had been assumed by some dealers to be a target level.

While this was happening. Mr Satoshi Sumita, the Bank of Japan governor. was telling



Parliament that the yen must rise further to reflect Japan's economic position.

Growing realisation of the Tokyo government's determination to maintain its tighter monetary stance convinced die-hard securities houses to dump bond holdings, leading to a fall of more than two points to 100.45 in the price of the key 68th government bond issue.

The Tokyo Stock Exchange followed suit with selling of blue chip electronics stocks leading a 128.37 point fall in th Nikkei Stock Average to 12,808.1.

Amid a growing feeling that US interest rates are set to decline following the strong demand at US Treasury debt auctions this week, the currency markets also tested the dollar's ability to hold above DM 2.60. It finished at exactly that level in London, 1.6 pfennigs down on the day, but in thin trading, but in New York it dropped to DM 2.5960 at one stage.

The pound was buffeted by renewed concern about oil prices, slipping 0.5 on its trade-weighted index to 80.4, though it held virtually unchanged in dollar terms at $1.4405 by the London close. The stock market in London shrugged off worries about oil prices to finish a week of successive highs at another record, with the FT Ordinary Index gaining 1.5 points to 1,070.6.

MARKETS

DOLLAR
New York lunchtime:
DM 2.5987
FFr 7.9125
SFr 2.136
Y208.82
London:
DM 2.6 (2.616)
FFr 7.9425 (7.975)
SFr 2.1375 (2.15)
Y208.85 (211.45)
Dollar index: 129.4 (129.5)
Tokyo close: Y209.85

U.S. LUNCHTIME RATES
Fed Funds 8.5%
3-month Treasury Bills:
Yield: 7.43%
Long Bond: 103$\frac{3}{8}$
yield: 10.25

GOLD
New York: Comex Nov latest
$323 ($326.7)
London: $324.75 ($324.5)

STERLING
New York lunchtime: $1.443
London: $1.4405 (1.441)
DM 3.7525 (3.77)
FFr 11.4425 (11.4952)
SFr 3.08 (3.0975)
Y300.75 (304.75)
Sterling index: 80.4 (80.9)

LONDON MONEY
3-month interbank:
closing rate 11$\frac{1}{2}$% (11$\frac{3}{8}$)
3-month eligible bills:
buying rate 11$\frac{1}{16}$% (same)

STOCK INDICES
FT Ord 1070.6 (+1.5)
FT-A All Share 672.15 (+0.2%)
FT-SE 100 1379.0 (+1.8)
FT-A long gilt yield index:
High coupon 10.27 (10.26)
New York lunchtime:
DJ Ind Av 1383.14 (+8.83)
Tokyo:
Nikkei 12808.1 (—128.37)

Chief price changes yesterday, Back Page

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For London market and latest share index 01-246 8026; overseas markets, 01-246 8086

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 42; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1,300; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 80; Spain Pta 110; Sweden Kr 6.50; Switzerland Fr 2.20; Ireland 55p; Malta 30c.

Chile signs pacts for $1.1bn from bank creditors

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

CHILE yesterday signed agreements with its commercial bank creditors for $1.1bn (£785m) in new loans, believed to be the first major borrowing linked to performance under World Bank and International Monetary Fund programmes since the debt crisis started.

The loan package, part of which is guaranteed by the World Bank, is widely seen as a blueprint for lending schemes to debtor countries envisaged under the US initiative on easing the debt crisis launched at last month's International Monetary Fund meeting in Seoul.

Also signed in New York yesterday were agreements to reschedule some $6bn in debt falling due up until the end of 1987, as well as modifications to previous loan agreements designed to reduce their servicing cost.

The Chilean package bears some major innovations for loans to countries which have to reschedule their debts.

In particular, cash payments to Chile under the loan can only be made if its economic performance is in keeping with targets set out by the World Bank under a separate structural adjustment loan agreement as well as more conventional International Monetary Fund targets.

The loan thus marks a new level of co-operation between the two institutions which "has been really extraordinary," according to Ms Susan Segal, senior vice president of Manufacturers Hanover who headed the commercial banks' negotiating committee.

The loan includes a special $300m portion, half of which is guaranteed by the World Bank and will be used to finance highway construction.

It is understood that banks will not have to count the guaranteed portion as Chilean risk when calculating their exposure to that country.

Bankers believe that such guarantees will become increasingly useful for operations in other countries where a gap exists between financing needs and amounts banks are willing to put up on their own account.

Chile will not receive any cash from the loans until the signing process is complete. This may take several weeks because much of its original debt has changed hands and the administrative process of tracking down the new holders takes time.

At least two instalments, the first totalling $440m and the second $274m, should have been paid out by the end of the year.

Hungary gears up for motor racing

By Leslie Colitt in Berlin

HUNGARY HAS said it will become the first East European country to stage Formula One grand prix races in one of the government's most novel bids to earn badly needed hard currency.

Negotiations have been completed with Foca, the Formula One Constructors' Association, to choose a site for the race track.

The first race will take place next year and on four successive years, which just happen to overlap with the next five-year plan. The project is being hailed in Budapest as the largest "sports deal" in Hungary.

The inaugural race next August in Budapest is to be carried by Hungarian, Soviet and Czechoslovakia television, which is of special interest to western sponsors eager to expand the viewing audience to eastern Europe and

Hungary's state investment bank has provided a ten-year loan for the construction of the 3,895-metre track, with 15 curves, outside Budapest. The project will include a 60,000-car parking lot and a helicopter pad.

The Hungarian grand prix organisers include the country's automobile club and two major travel bureaux because of the expected influx of racing fans from the west. Mr Tibor Balogh, head of the Hungarian automobile club, said negotiations will take place with Foca after three years to extend the contract.

Although construction and operating costs were expected to be covered after three years of races, Mr Balogh said the risks were "not to be underestimated." But in the spirit of the country's venturesome economic policy, he added that neither were the profits.

Protest ban defied

French police yesterday seized 17 people after 1,000 protesters defied a ban by Paris city authorities on a demonstration in support of human rights in Algeria, Reuter reports. Riot police detained protesters carrying banners and posters calling for the release of political prisoners in Algeria. No other incidents were reported.

Fury erupts over Fassbinder play

A row about a 'Rich Jew' has split Frankfurt, Jonathan Carr reports

"ANTI-SEMITISM belongs on the rubbish dump — not on the stage," a young woman shouted, brandishing a fist.

Demonstrators nearby, some wearing the yellow Jewish star, roared approval. Further away among the crowd, close to 1,000 strong, a group was singing a Jewish song.

Such was the scene before Frankfurt's municipal theatre on Thursday night, with Press camera bulbs flashing and green-uniformed police hovering in the background.

It marked the — initial — climax in a bitter dispute over a play, which has split opinion in the city and awakened old ghosts from the tortured past.

After months of public meetings, Press articles, charge and counter-charge, it is not always easy to recall that the play has not, so far, been shown.

Thursday night was supposed to mark the première — about a decade after it was written — of Rainer Werner Fassbinder's "De Müll, die Stadt und der Tod" ("Rubbish, the City and Death").

But as the crowd surged around outside the theatre, 26 members of Frankfurt's Jewish community occupied the stage inside and refused to budge.

They accused those staging the play of defaming a people which suffered the Holocaust, and the city of "subsidising anti-Semitism" (a reference to the fact that the theatre is supported with municipal funds).

Hours of argument followed between demonstrators, audience and theatre direction. Daniel Cohn-Bendit ("Dany the Red" of the student protest movement of the late 1960s, and himself a Jew) pleaded passionately from the auditorium for the work — however hurtful — to be given the freedom of a showing.

"There were traitors 2,000 years ago, too," a protester responded from the stage.

Finally, the performance was shelved, perhaps only until Monday, although there is no certainty it can go ahead unhindered then either.

As long as the play is not first shown in Frankfurt it cannot — under the terms of Fassbinder's will — be staged elsewhere.

Fassbinder, best known as the most prolific modern German film-maker, firmly identified the play with Frankfurt — above all the Frankfurt of the 1960s with its reputation (gone but not forgotten) for property speculation, violence and student radicalism.

At the heart of the drama, which is liberally laced with brutality and obscenities, is a "Rich Jew" (unnamed) who pushes through unscrupulous property deals.

Those who defend the play say it helps break through taboos, and shows how anti-Semitism can arise in a new guise in modern times.

Those who attack it (many of them not Jews) say that on the contrary the whole trend of the action is anti-Semitic.

Mr Günther Rühle, director of the municipal theatre, says that at long last the public must be given the chance to decide for itself. Mr Rühle is new to his job. His predecessor left after a dispute over the same play.

Even while the heated and strident exchanges of the "pros" and "antis" were going on at the theatre on Thursday night, a ceremony of quite a different nature — but caused by the same play — was going on just a few minutes' walk away.

Leaders of different religious denominations called for reconciliation between Germans and Jews, and led a silent march to the memorial for the victims of Nazism.

The memorial is close to Frankfurt's St Paul's Church, where only a few weeks ago Mr Teddy Kollek, Mayor of Jerusalem, received the Peace Prize of the German Publishers' Association—one of the highest awards Germans can bestow.

Mr Kollek said he would use the prize money to encourage contacts between Jewish and Arab youths. That, too, along with the passions aroused over the Fassbinder play, belongs to the recent history of the ever-complex and sensitive German-Jewish relationship.

Angry demonstrators stop the world premiere of Fassbinder's play

Turkey to lift martial law in eight areas

BY DAVID BARCHARD IN ANKARA

MARTIAL LAW is to be lifted in Istanbul, Turkey's largest city, and seven other provinces after a decision of the National Security Council yesterday.

Martial law will now be in force only in nine south eastern provinces, including areas where Kurdish separatist guerrillas are active.

However, emergency regulations will still be in force in Istanbul as in other major Turkish cities such as Ankara and Izmir.

The decision to lift martial law in Istanbul has come earlier than expected and will have major repercussions for press freedom and trade union activity. It will be hailed as a step back towards full civilian rule.

The Turkish press, which is largely Istanbul-based, has long complained in private of restrictions imposed by martial law authorities. It will now have to contend only with press legislation introduced in 1983 by the military before handing power to Mr Turgut Ozal's government.

Mass trials will continue under the military tribunals already trying them but new security offences will be handled by state security courts.

Caracas close to finalising debt refinancing

BY RICHARD JOHNS IN CARACAS

THE VENEZUELAN Government is trying to finalise arrangements for refinancing the country's $13bn (£9bn) private sector external debt "as quickly as possible," Sr Benito Raul Losada said in an interview with the Financial Times.

He said that 90 per cent of the 500 applications from companies for rescheduling had been processed—and only the most difficult were still outstanding.

"We are going to finish in the next few weeks," he added.

Sr Losada was speaking just prior to the further 30-day extension given in New York late on Wednesday by the 13-bank advisory committee to the moratorium for rescheduling Venezuelas $21.2bn public sector debt.

It is understood that the committee conceded to Venezuela a reduction of one-eighth of a point in the interest rate on the short-term rollover credit during the moratorium. The previous rate was prime plus 1½ points or Libor plus 1⅞ points.

Venezuela might be given more favourable treatment depending on progress on other issues including Caracas's demand for the "big Mac" (material adverse contingency) clause to provide for any major natural disaster or crash of oil prices.

Mr Losada said the central bank would settle terms in the near future with Electricidade de Caracas, the leading private sector debtor which owes foreign creditors over $700m, on the basis of a zero coupon bond redeemable in 10-12 years' time.

Last week Finalven, the auto finance company which owes $286m and the second biggest private sector debtor, became the first Venezuelan company to agree with the central bank on the use of this mechanism which was approved by government decree as long ago as last January.

It is designed to assist utilities and finance houses with little flexibility in the margin of their prospective income.

Some banks have let it be known that they will not sign a rescheduling of Venezuela's public sector debt if they approve it, unless there is much faster progress in rescheduling private debt outstanding.

Israel denies report of Jordan peace plan

THE ISRAELI Government yesterday issued an angry denial of reports that Mr Shimon Peres, the Labour Prime Minister, has put specific interim peace proposals to King Hussein of Jordan, writes Walter Ellis in Tel Aviv.

"No contacts have taken place," Mr Uri Savir, the Premier's foreign affairs adviser, said. "All reports to the contrary are false and intended to mislead."

Significantly, Mr Peres' denial was immediately echoed by Mr Yitzhak Shamir, the Foreign Minister and leader of the Likud bloc in Parliament from which the allegations originally emerged.

Mr Shamir was until recently one of Mr Peres' most persistent critics. However, his views have mellowed to a remarkable degree in the last few weeks in the face of resurgent extremism in the front ranks of the Likud.

Mr Shamir is scheduled to take over the premiership from Mr Peres in 11 months' time under the terms of the rotation agreement that helped establish the present coalition with Labour.

Mr Ariel Sharon, the Trade and Industry Minister, and Mr David Levy, in charge of housing and construction, are unyielding rivals for the leadership of the Likud, and each feels that Mr Shamir is allowing himself to be fooled by Mr Peres into an unwitting acceptance of territorial compromise with Jordan over the occupied West Bank.

Ministers deny Opec policy shift

By Roger Matthews

WORLD oil markets showed little or no reaction yesterday to a statement by Mana Saeed Oteiba, Oil Minister of the United Arab Emirates, that members of the Organisation of Petroleum Exporting Countries were now free to set their own prices for crude supplies.

Speaking on Abu Dhabi television, Mr Oteiba said: "Since the last Opec meeting in Vienna last month each producing country, either inside or outside Opec, has the full freedom to fix the prices which it feels are suitable for its oil."

Both Dr Subroto, the Indonesian Oil Minister, and Mr Tam David-West, his Nigerian counterpart, denied yesterday there had been any change in Opec policy.

However, it is widely accepted within Opec that members have been offering effective reductions in price for some time, either through discounting or more recently in the case of Saudi Arabia through "netback" arrangements.

In London last month, Dr Subroto himself called for a more flexible Opec pricing system. He said that it may not be realistic for much longer to stick to official prices and suggested it would be more sensible "to accept a certain range in pricing."

Dr Subroto said yesterday that Opec would be discussing pricing policy at its next scheduled meeting in Geneva

Sikh militants in protest

About 1,000 hardline Sikh youths travelled from the Sikh holy city of Amritsar to a village near Punjab's state capital Chandigarh yesterday and presented the moderate Sikh Government with a list of demands, Reuter reports.

Witnesses said crowds of turbanned protesters arrived in trucks, buses and cars in Maloya, home village of Beant Singh, the Sikh bodyguard who was killed by security guards after he allegedly shot dead Indira Gandhi on October 31 last year. The All India Sikh Students Federation (AISSF) organised the protest.

The hardliners, led by Beant Singh's widow Bimal Kaur Khalsa, presented a four-page list of demands to Punjab Government Health Minister Vasant Singh and said if they were not met the student federation would launch demonstrations across the state.

Greek Cypriots prepare for early election

By Andreas Hadjipapas in Nicosia

THE CYPRUS House of Representatives voted early yesterday to dissolve itself to make way for early parliamentary elections among Greek Cypriots on December 8.

The dissolution of the House came in the wake of a confrontation between President Spyros Kyprianou and the two main opposition parties, the Communist Akel and the right-wing Democratic Rally which together held a majority in the outgoing House.

They censured Mr Kyprianou's handling of settlement talks with the Turkish Cypriots and demanded that he should abide by the will of the majority or resign.

Mr Kyprianou refused, citing the presidential system in force on the island. His five-year term is not due to expire until 1988.

Akel and the Rally have denied they are forming a coalition to fight Mr Kyprianou's centre-right Democratic Party.

However, they have served notice that if they gain a two-thirds majority in the new Chamber, they will force a constitutional amendment to make him call early presidential elections

Terrorism and defence top Gulf summit agenda

BY KATHY EVANS IN MUSCAT

EXTERNAL DEFENCE and the fight against terrorism in the Gulf are expected to be two main items on the agenda of six Gulf leaders when they begin their summit in Muscat this weekend.

The summit takes place against a backdrop of increasing fears that Iran may act against the Arab Gulf states in retaliation for the attacks it has suffered by Iraq in recent weeks. The past year has also seen two major terrorist incidents in Kuwait, including an attempted assassination of the Kuwait Emir.

Leaders of the Gulf Co-operation Council, which groups together Saudi Arabia, Kuwait, Oman, UAE, Qatar and Bahrain, are expected to concentrate on the operational details under which their newly formed Gulf Rapid Deployment Force will operate. The force is 10,000 strong and will be based in the northern military city of Hafr al Battin, in Saudi Arabia.

If the force is called on to enter another state, then Oman, UAE and Kuwait are likely to insist that the command structure revert to that of the host country. The Gulf RDF is headed by a Saudi major-general and more than half its troops are expected to come from the Kingdom.

At present, the region appears to be more vulnerable to terrorism and internal subversion than any threat from Iran to block the Strait of Hormuz.

Kuwait is expected to come under increased pressure from its colleagues in the GCC to sign an internal security pact. Kuwait is the only GCC state to have rejected the treaty on the grounds that a number of its provisions, such as the right of pursuit, constitute an infringement of its sovereignty.

Kuwait's National Assembly, the region's only elected Parliament, has frequently expressed opposition to the treaty. However, given the terrorist incidents the country has suffered, Kuwait may be more ready to compromise.

Discussion is also expected on the possible construction of a 1,700 km oil pipeline from the northern Gulf to Oman, which would enable the Gulf states to export 2.5 million barrels a day without utilising the Strait of Hormuz.

FT correspondents look at the repercussions of the tin crisis

Tin council must continue, say Indonesians

BY KIERAN COOKE IN JAKARTA

INDONESIA, the world's second largest tin producer, says the International Tin Council must continue to operate and has repeated its willingness to pledge $5m (£3.5m) to the ITC's buffer stock programme.

A spokesman for PT Tambang Timah, the state tin company, which is responsible for more than 80 per cent of Indonesia's tin production, said the present crisis had to be solved.

"This situation must be overcome as soon as possible with a suitable outcome for everyone, not just Indonesia," the spokesman said.

Indonesia has been accused by some producers of not doing enough to support prices, and has in the past been reluctant to pledge funds to the ITC's buffer stock operations.

While officials would not rule out a collapse in prices if the present crisis continues, Indonesia seems confident that some sort of solution will be found when the ITC next meets on November 12.

Indonesia would be seriously hurt by any radical downward movement in prices. Tin exports account for more than 30 per cent of export revenues outside the non-oil and gas sector.

Last year, Indonesia exported 22,000 tonnes of tin, worth $373.1m. Mainly because of ITC-imposed export controls, Indonesia's tin production has declined over the last four years. Production in 1981 reached 33,322 tonnes but declined last year to 22,500 tonnes.

Indonesia's share of world tin production has also declined from 16.2 per cent in 1980 to 14.2 per cent last year. More than 30,000 people are employed in the Indonesian tin industry.

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Thai mine workers warned on jobs

BY SOONSONG K'THANA IN BANGKOK

MANY of the 39,822 Thais employed by 650 Thai tin mines could lose their jobs if the international tin crisis prolongs and forces mines to cease operation, Thailand's Department of Mineral Resources has warned.

As the world's third largest tin producer, after Malaysia and Indonesia, Thailand's tin production in 1984 represented 13 per cent of the world's total output.

The kingdom depends heavily on commodities for export revenue and tin was the country's seventh largest foreign exchange earner.

In the first nine months of this year, Thailand exported 13,774 metric tons of tin metal, worth Baht 4.36bn, according to the department.

However, rampant tin smuggling from the country's southern region, where the bulk of Thai tin is produced, is a contributor to the decline in the world's tin prices.

Thailand's high tin royalty — roughly 30 per cent of tin price (a higher levey than in either Malaysia or Indonesia) is blamed for stimulating the smuggling.

The actual volume of tin smuggled is difficult to establish. However, a total of 621.3 tons of illegal tin was confiscated by Thai authorities in the first nine month of this year.

US jobless at 7.1% as sluggish growth goes on

BY STEWART FLEMING IN WASHINGTON

THE US unemployment rate remained unchanged at 7.1 per cent in October, the Labour Department reported yesterday. But strong gains in the number of people with jobs in the service sector and more moderate increases in industrial employment suggest that sluggish economic growth is continuing.

The White House offered a much more optimistic interpretation of the data, saying "the rise in employment is a clear signal that rapid expansion is under way, adding yet another indicator of substantial, sustainable growth in the fourth quarter."

Some Administration officials have been suggesting that real growth could rebound in the fourth quarter to a real annual rate of 5 per cent, but many of Wall Street's economists doubt that growth will be much different from the 3 per cent rate registered in the third quarter.

The financial markets barely reacted to the unemployment data, with fixed interest securities traders focusing more on the unresolved debate in Washington over the Gramm/Rudman budget reform plan and on next week's meeting of the Federal Reserve Board's policy-making Federal Open Market Committee.

Congressional negotiations on the Senate-approved budget reform plan, which calls for a balanced budget by 1991, broke down on Thursday night when the House/Senate conference committee failed to reach agreement on a compromise version of the proposal.

The House was scheduled to debate the Bill yesterday afternoon. Congress is under pressure to approve the controversial proposal whose mechanics, effectiveness and constitutionality are all questioned.

There are still widespread predictions that the proposal will pass, in spite of deep misgivings on Capitol Hill, even among some of its supporters.

Ahead of next year's midterm elections, both Republican and Democratic politicians feel pressured to appear to be doing something about the $211bn budget deficit.

The Gramm/Rudman reform is particularly attractive on this score, because as it is currently written, it may not have any impact until the elections are over.

The Unemployment report is mildly encouraging for the economic outlook. Although 8.3m Americans remain without jobs, non-agricultural payroll employment rose by 415,000, spurred by the addition of 150,000 jobs in the services industry.

Even in manufacturing, where factory jobs had declined by 330,000 between January and September, there was a 60,000 increase in employment last month.

Continental Airlines pilots to end strike

By Terry Dodsworth in New York

PILOTS at Continental Airlines, the US cut-price carrier, have reached an agreement to end a bitter two-year-old strike against the company which started after the pilots' union opposed drastic wages cuts.

The accord between the two sides follows an order by a bankruptcy court, where Continental filed for reorganisation under the chapter 11 proceedings.

The pilots were awarded $8.9m (£6.3m) for claims against missed pay, unpaid vacation and medical claims, all of which the company says it has accounted already and never disputed. No active pilots will be displaced.

Since filing in late 1983, Continental has emerged as one of the strongest of the discount airlines which have been providing formidable competition to more established carriers in the US.

The company's lower costs are partly a reflection of the cuts in wages which it forced through by underbanking the court process and changing its labour contracts.

Although there was enormous trade union opposition in the beginning, Continental has easily managed to continue flying by hiring partly from outside the company, while persuading some members of staff to return at much reduced wages — sometimes as little as half their original earnings — in return for stock and profit sharing agreements.

The pilots' union has resolutely refused to accept these changes up to now, picketing many airports for the whole of the two years, and suing the company.

By giving up now, the union has effectively conceded defeat, but the situation has changed so radically since the dispute broke out that the issue is almost academic.

In particular, the unions have failed in their attempts to prevent the courts from being used to remodel and reduce wage contracts as part of larger schemes for company reorganisations.

Pilots in other airline companies have also conceded lower wages, or "two-tier" agreements in which new recruits earn substantially less than established pilots.

Clive Wolman looks at the launch of a retail experiment in Northampton

Keying into a new era of cashless shopping

THE LAUNCH this week of the UK's first large-scale cashless shopping experiment among more than 80 retailers in Northampton marks the start of a series of pilot schemes over the next few months which, it is hoped, will lead to a national network.

The long-term aim of the pioneers of such schemes is to win a large share of cash, cheque and credit card transactions. These are estimated to number about 100bn a year or about five transactions per person per day.

Northampton's PayPoint scheme was set up by the Anglia Building Society and ICL, the computer manufacturer. The two became impatient with the big banks, which have been considering ways of introducing cashless shopping since 1977 without reaching agreement. As a result, the UK lags behind several western European countries, France in particular.

The various Eftpos (electronic funds transfer at point of sale) systems being tested allow the shopper to buy goods without cash, cheques or credit cards. Instead, the funds are automatically transferred out of his or her bank account to the retailer when a plastic card is passed through a reading device after a personal identification number is keyed in.

The main advantages of Eftpos are that it reduces the amount of cash a customer has to carry and speeds up the processing of transactions at the tills. However, the funds are transferred immediately out of his or her account so that he or she has no access to the average of six weeks free credit available to credit card users.

For the retailer and the bank, Eftpos should reduce the paperwork involved in processing transfers, particularly by cheque or credit card. The system also requires less security than a cash-based system and, because it uses personal identification numbers, is less vulnerable to fraud than credit cards.

Another benefit to the retailer is that the money is received immediately, which will help reduce interest charges. For large transactions, the worry is removed as to whether the customer has sufficient funds to meet a cheque.

A study is being conducted by Deloitte Haskins & Sells, the accountants, which aims to quantify the benefits to the banks and the retailers and provide the basis for allocating the costs of a nationwide system between the two groups.

However, the deal the Anglia has worked out with Northampton retailers suggests the costs to the retailer will be only a fraction of the charges imposed by the credit card companies. For smaller transactions of less than about £7, the largest element of cost will be a local telephone call charge as the system uses ordinary British Telecom lines.

The biggest defect of the Anglia system is that it allows only half the funds transfer operation to be accomplished electronically. Once the money is transferred out of the customer's account it sits in a suspense account until the end of the day when the amounts due to each retailer are calculated.

The cashless customer (left) keys in his personal identification number after the cashier has "wiped" his card through the main terminal and entered in the amount

If the retailer has an Anglia account, the money is then transferred. Otherwise, an Anglia employee goes to a nearby branch of a bank the next morning and pays in a set of cheques, one for each retailer. These are cleared in the normal way over three days. The daily cheque to one store is put in the post.

This anomaly will be corrected only when Anglia joins the Bankers Automated Clearing Services, the electronic bulk cheque clearing system, probably as part of a consortium of building societies.

The other criticism of the PayPoint system is that the terminal cannot handle credit card and other transactions. Thus the shop assistant has to handle several additional pieces of equipment.

The other features of the Anglia PayPoint system seem more popular with retailers and the public. The customer need remember only a four digit personal identification number selected by himself or herself. The encryption on the card is the primary means of identifying the account from which money is to be transferred.

The terminals also have a facility to allow the customer's signature to be used as a means of identification, although PayPoint will not be using this facility under normal circumstances.

The terminals allow the customer to be given refunds, to find out his account balance — which most retailers will allow before entering a queue at the till — and to receive cash from the retailer. Thus PayPoint can offer most of the facilities of the standard cash dispensers provided by banks and building societies. The AngliaCard is used to operate both PayPoint and the cash dispensers of the Matrix network.

If the experiment proves popular with Anglia customers the next step will probably be to extend it to other members of the Matrix network, which include the Leeds Permanent, Alliance and Leicester and Woolwich building societies.

The first bank to set up an Eftpos pilot scheme was the Clydesdale. Launched in 1982 in Scotland, it was limited to filling stations and one store.

The first of the three more comprehensive bank schemes due to be launched in the next three months will be one operated by the Midland involving about 30 terminals covering leading retailers in Milton Keynes. The other two more limited schemes are being organised by the issuers of Access and Visa cards and by National Westminster Bank.

According to Mr Dougald McCallum, chief executive of the banks' Eftpos development, the first large-scale nationwide pilot scheme is scheduled for the start of 1988.

Marcos 'has three years to bring in reforms'

PRESIDENT Ferdinand Marcos of the Philippines has no more than three years to make major economic and political reforms before civil unrest and a Communist insurgency will force his Government to fall, the Senate Intelligence Committee said, **Reuter reports from Washington.**

In the latest and most ominous public US assessment on the Philippines' future, the panel said President Marcos' handling of the insurgency has been "inept" and warned that the Soviet Union is showing increasing interest in what has been until now largely an indigenous Communist rebel movement.

The blunt conclusions were contained in the unclassified version of a staff report based on a two-month investigation that included interviews with key officials and private citizens in the Philippines, Indonesia, Malaysia, and Singapore and briefings and data provided by various US agencies.

Top US state and defence department officials have estimated that barring substantial reform, the Marcos Government could last three to five years before a "strategic stalement"

Merchant arm for ANZ Bank

By David Lascelles

A MERCHANT bank combining the investment banking activities of the Grindlays Bank group and, later, the whole of Capel-Cure Myers, the stockbrokers, is being formed by the ANZ Bank.

ANZ owns Grindlays and has agreed to buy Capel-Cure Myers as part of the realignment of City institutions.

The bank will be called ANZ Merchant Bank and will be capitalised at about £30m. Its chief executive will be Mr David Poole, the chief executive of Capel-Cure.

S E investigates pension reform plan

BY ERIC SHORT

THE stock exchange is investigating the likely effects of the Government's proposed pension reforms. In particular it is examining the possible impact on stock markets of the replacement of the State Earnings-Related Pension Scheme by personal pensions and compulsory company pensions.

Under the proposals, announced in a Green Paper in June, Serps would be phased out. Employees within 15 years of state pension age would remain in Serps. Others would be taken out in April 1987.

Although the Government is reconsidering its plan to end Serps, personal pensions are still expected to be introduced.

The National Insurance contribution rebate of 4 per cent, offered to those occupational pension schemes which have contracted out of Serps, is regarded as about half the amount necessary for financial neutrality.

If the rate is not increased, there will be a strong financial incentive for schemes to buy back the Serps liabilities into the National Insurance fund. The stock market would be involved at this stage.

Estimates of the potential Serps liabilities vary from £10bn to £25bn. At present, employers buying back into the state scheme have to pay cash. UK pension funds are vast and growing but most investment managers claim they could not find the cash to buy back without selling investments.

Concerted selling by pension schemes over a short period could depress equity and gilt markets in the short term. No one has thought through the consequences, which is one reason for the Stock Exchange inquiry.

Modernised Post Office imminent

By James McDonald

THE Post Office's long-term £100m modernisation programme is nearing completion. By early next month it will provide a network of 80 mechanised offices across the country and offer annual savings of up to £20m in cash, 10m manhours, and faster processing of mail. There will be no compulsory redundancy.

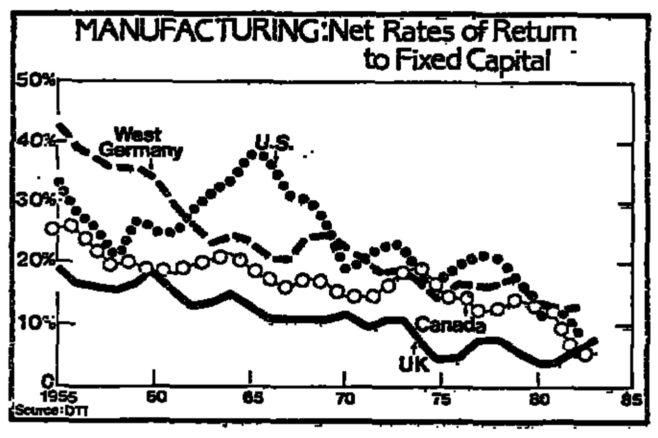
Mr Bill Cockburn, Post Office Board member for Royal Mail operations, said in London that Britain now had one of the world's most extensive mechanised postal services.

UK NEWS

DTI figures show Britain lags in profitability league

BY DAVID GOODHART

THE UK still trails close to the bottom of the international corporate profitability league table despite a marked improvement since 1981 in the rate of return on fixed capital and the share awarded to profit of income generated by a company.



Figures prepared by the Department of Trade and Industry, based on Organisation for Economic Co-operation and Development calculations, show a steady decline in both the above estimates of profitability in most large economies from 1955 to 1983.

In the non-financial corporations sector, the US recorded a 17 per cent return on capital from 1955-58 rising to a peak of 22 per cent in 1963-67 before declining to 11 per cent in 1982 and rising 13 per cent in 1983.

In the manufacturing sector the US decline was more dramatic from 27 per cent 1955-1958 to 8 per cent in 1982.

The UK return 1955-58 in the non-financial corporations was 13 per cent declining to a low of 5 per cent in 1981 before rising to 8 per cent in 1983.

In industry plus transport *(which includes North Sea oil)* the rate declined from 11 per cent in 1955 to 7 per cent in 1980 before bouncing back to 11 per cent in 1983.

In manufacturing the UK fell from 16 per cent in 1955 to 4 per cent in 1980, rising to 7 per cent in 1983.

The upturn in rates of return for the UK began in 1981, but from a low level, and continued into 1984.

The DTI points out that in the US, Norway and Finland rates of return were higher in 1983 than 1982. In Canada there were signs of a recovery in manufacturing, where the net rate of return fell sharply in 1982.

In Japan, however, rates of return were still drifting downwards in 1983. The trend in France and West Germany was, at best, flat, though 1983 data is not included for the latter two countries.

The survey concludes that only in the Scandinavian countries do recent rates of return compare favourably with earlier periods.

The marked improvement in the UK's rate of return in industry plus transport reflects the North Sea oil factor, as is the case with Norway.

The second main calculation of profit as a proportion of income generated rose in 1983 *in all the countries analysed.*

For industry plus transport the net profit share has been rising since 1980 in both the UK and the Netherlands; since 1981 in West Germany, Sweden and Finland, and since 1982 in Canada and Norway. In the US net profit share has been on a rising trend since 1980 apart from a low result in 1982. In France there is not yet any evidence of an upturn in net profit share.

While the UK has had one of the lowest rates of return over the period under review, says the DTI, the gap has narrowed recently. For Non-financial corporations the UK has a similar rate to France, while in manufacturing it has overtaken Canada.

It also warns, however, that comparisons of rates of return between countries is a hazardous exercise because capital stock "may not have been measured consistently."

Comparisons of levels of profit shares should be more reliable than for rates of return. *Again the UK has generally had* one of the lowest shares but has shown some recovery relative to other countries in recent years.

For non-financial corporatens the UK now has a higher share than the US and France. For manufacturing it is higher than the US and Canada.

Plan to put life into industrial estate

BY NICK GARNETT

A £100,000 STUDY into how life might be breathed into Trafford Park near Manchester, the world's first and still Britain's largest industrial estate, was announced yesterday.

The study, designed to bring business and investment to the park, is being funded equally by the Department of Environment, the Department of Trade and Industry, Trafford Borough Council and the Trafford Park Major Manufacturers' Group.

This group was formed last year to press for environmental improvements and is made up of nine of Trafford Park's biggest employers including GEC, Kellog, CIBA, Geigy and Massey Ferguson.

At its peak in the Second World War companies in Trafford Park employed 75,000. Company closures, declining heavy engineering and the spread of modern manufactur*ing techniques have meant that* fewer than 30,000 now work in Trafford Park, which, although it is close to the motorway network, suffers from much urban blight.

Mr John Patten, environment department minister with special responsibility for urban affairs, announced the study which will be carried out by outside consultants.

Unit trust group backs fund of funds

By George Graham

SAVE AND PROSPER, the unit trust group, has replied to criticism of the newly authorised fund of funds, a unit trust permitted to invest in other unit trusts.

The group, which is to launch its own fund of funds today, said the unit trust industry had failed conspicuously to broaden its appeal to new investors. The managed fund of funds would attract these first-time investors, it said.

Managed funds have been criticised for the conflicts of interest they create. However, Mr Paul Bateman, Save and Prosper's marketing and development director, said these criticisms were superficial.

He said: "First, the Department of Trade and Industry has laid down stringent controls which in conjunction with the trustee's role make manipulation highly improbable.

"Second, to suggest that it is in the interests of any manager to multiply the effects of bad performance in one trust into another, and widely promoted, trust, particularly when there cannot be any significant financial benefit, really is contrary to any commercial sense."

Further, he said, the funds would provide more consistent *perfromance. Moreover, whereas* general international trusts, which critics of the fund of funds have said are a better choice for the investor not seek*ing a specialist unit trust,* had produced only a lacklustre performance.

Save and Prosper manages about £1.5bn of unit trusts. In the industry it is second only to M and G, which has led criticism of the fund of funds idea.

The first of the new generation of managed funds were launched last week by Abbey Life, the assurance company, and Grieveson Grant, the London *stockbroker.*

Petrofina

AN ARTICLE in yesterday's Financial Times inadvertently stated that Petrofina was the Belgian state oil company. It should have said that Petrofina is the largest publicly quoted company in Belgium.

The same article also suggested that Century Power and Light and Lasmo were Britoil companies. This was a misprint for British.

CAA seeks views on air traffic spread

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Civil Aviation Authority is asking the air transport industry and other parties, such as local authorities, for their views on how air traffic in London and the south-east of England could be re-distributed as traffic increases.

This is in line with the Government's request to the CAA last June, in the White Paper on airports policy, for assistance in determining the future of London airports.

Estimates of traffic growth in London and the south-east up to the end of the century indicate that this year's total of between 44.5m and 50.9m passengers could rise to between 67.9m and 110.9m a year.

The problem facing the Government is how to distribute this traffic between the four big airports, Heathrow, Gatwick, Stansted and Luton, with other airports, such as Southend, also taking more.

Many solutions have been proposed, including shifting all *charter traffic from Gatwick to* Stansted, relieving Gatwick for the development of scheduled services—a proposal much resented by many airlines.

The CAA has published a consultation document to try to solve the problems.

It makes no recommenda*tions and issues no new fore*casts for traffic growth. It is seeking views by January 10.

It will draw up proposals for submission to the Transport Department. From this the Government will decide how to allocate traffic in the 1990s, when Stansted is redeveloped and the fourth terminal at Heathrow and the second big terminal at Gatwick are fully operational.

■ The British Airports Authority has been given approval by Mr Nicholas Ridley, Transport Secretary, to spend up to £68.5m on the redevelopment of Terminal Three at Heathrow Airport, starting early next year.

This will follow the vacation of the terminal, used for long-haul flights, by British Airways next spring, when the new Terminal Four on the southern side of the airport becomes available.

The space created by BA's departure will enable the authority to close part of Terminal Three for modernisation and refurbishment. The result, on completion by 1989-90, will be more space for departing passengers.

The main facilities in Terminal Three are at least 15 years old. The aim is to make it more capable of handling peak-hour congestion.

Discount holiday offer expanded by Thomson

BY ARTHUR SANDLES IN SORRENTO

THOMSON Holidays is trying to capitalise on the current UK holiday fever with more discount offers. The original offer of 500 one-week vacations for £25, or £35 for two weeks, has been increased to 1,000. The offer will open on Monday at travel agencies.

Thomson will also offer on *Monday 100,000 trips at £79* and £99 from its £2.2m total of 1986 summer holidays.

All the 100,000 will be on a stand-by basis. The customers have to take what they are given, choosing only their departure airport and, in most cases, the month of travel. The £79 holidays are for May and the £99 holidays for June.

Travellers are not told where they are going until a month *before they leave.*

Mr Harry Goodman — chairman of Intasun, Thomson's main competitor in the travel war — said he will not respond to the latest Thomson move, which he described as "absolute nonsense."

People wanted to know where they were going on holiday and when, he said.

"This goes against everything Thomson has been saying about quality. I think there will be a lot of dissatisfaction. It is disastrous for the industry."

Meanwhile, British travel shops are producing more ways to stimulate interest in the prize-draw for cheap holidays. An agent in Middlesex says that if any of the first 10 customers at his shop on Monday fails to get a £25 Thomson holiday, but buys a £79 holiday instead, he or she will receive a TV set as compensation.

Prize draws, offering full refunds on holidays booked from Thomson's cheap holidays offers, are being put forward by another travel office chain.

Co-op Travel, part of the Co-operative Wholesale Society, will accept addresses and deposits in anticipation of Thomson holidays from 9 am today. On Monday, the travel offices will open at 8.30 am.

"While we cannot guarantee every customer a holiday, by taking advance registrations we will be one step ahead of the competition when it comes to Monday's scramble for places," said a Co-op official.

Trade body plan sparks row in design industry

BY FIONA McEWAN

A ROW is brewing in the design industry as a group of leading consultancies looks set to establish a trade body which may rival the Society of Industrial Artists and Designers.

The Design Businesses Association, the proposed body, intends representing design businesses, promoting the benefits of good design to industry and encouraging young design talent.

The SIAD, with which it is keen to liaise, is a chartered professional body, representing individual designers rather than businesses, say the association's supporters.

They say the need for the association comes as the design industry "is undergoing enormous changes through the awakening of British business to the value of design."

"If it is set up it will be quite ridiculous," said Mr Michael Sadler-Forster, of SIAD. "We have a base of over 8,000 designers and there are plans in the new year for affiliated relationships with design prac*tices and with industry.*

"We also have plans, agreed at ministerall level, for a Centre for Design Studies.

"So there's no place for a DBA as we understand its objectives and we shall be saying so most forcibly."

What the industry needed, he said, was not another group but a more united front.

Meanwhile a working party for the association, composed of some of industry's leading names—Pentragram Design, Michael Peters Group, Lewis Moberly, Coley Porter Bell and Partners, and The Small Back Room—has drawn up a constitution.

They hope for a satisfactory resolution between the two organisations and have invited *SIAD to attend* a meeting at which design businesses will decide which route to take and whether to formally constitute the association.

The association aims to promote the industry to government, industry, the media, and the City; provide a directory of members and their areas of expertise; establishing a design index of unedited work from members for prospective clients to view: and to assist with *staff recruitment.*

It also aims to influence both design and business education establishments on the relevant and practical use of design.

ECONOMIC DIARY

TODAY: Sinn Fein annual conference in Dublin.

MONDAY: UK official reserves (October). Credit business *issues and redemptions (during* (September). Retail sales September—final). sCapital issue and redemptions (during the month of October). EEC Fisheries and Development Councils meet in Brussels. FT Conference on "The SDI, Eureka and Industry" at Skinners Hall, EC4. Mr George Shultz, US Secretary for State, meets Mr Mikhail Gorbachev, the Soviet leader in Moscow. Miners meet in Warwick to vote on split from NUM. EFTA ministerial meeting to discuss trade policy development. CBI publishes new business plan for UK.

TUESDAY: London and Scottish bankers' monthly statement (mid-October). Provisional estimates of monetary aggregates (mid-October). European Disarmament Conference in session in Stockholm. "Eureka" meet*ing in Hanover on European* co-operation in high technology (until November 6). NEDC meeting on higher education and job generation in areas of high unemployment.

WEDNESDAY: Advance energy statistics (September). State opening of Parliament and Queen's speech.

THURSDAY: Teachers lobby Parliament over pay dispute. Annual forum of Scottish Council for Development and Industry in Gleneagles *(until November 8)*. Consolidated Gold Fields annual meeting. Royal Dutch/Shell results.

FRIDAY: US balance of payments data for third quarter 1985.

BASE LENDING RATES

ABN Bank	11½%	■ Guinness Mahon	11½%
Allied Dunbar & Co	11½%	■ Hambros Bank	11½%
Allied Irish Bank	11½%	Heritable & Gen. Trust	11½%
American Express Bk.	11½%	■ Hill Samuel	§11½%
Henry Ansbacher	11½%	C. Hoare & Co	11½%
Amro Bank	11½%	Hongkong & Shanghai	11½%
Associates Cap. Corp.	12 %	Johnson Matthey Bkrs.	11½%
Banco de Bilbao	11½%	Knowsley & Co Ltd	12 %
Bank Hapoalim	11½%	Lloyds Bank	11½%
Bank Leumi (UK)	11½%	Edward Manson & Co.	12½%
BCCI	11½%	Meghraj & Sons Ltd	11½%
Bank of Ireland	11½%	Midland Bank	11½%
Bank of Cyprus	11½%	■ Morgan Grenfell	11½%
Bank of India	11½%	Mount Credit Corp. Ltd	11½%
Bank of Scotland	11½%	National Bk of Kuwait	11½%
Banque Belge Ltd	11½%	National Giro Bank	11½%
Barclays Bank	11½%	National Westminster	11½%
Beneficial Trust Ltd	12½%	Northern Bank Ltd	11½%
Brit. Bank of Mid East	11½%	Norwich Gen. Trust	11½%
■ Brown Shipley	11½%	People's Trust	12½%
CL Bank Nederland	11½%	PK Finans. Intl. (UK)	12 %
Canada Permanent	11½%	Provincial Trust Ltd	12½%
Cayzer Ltd	11½%	R. Raphael & Sons	11½%
Cedar Holdings	12 %	Roxburghe Guarantee	12 %
■ Charterhouse Japhet	11½%	Royal Bank of Scotland	11½%
Choulartons**		Royal Trust Co Canada	11½%
Citibank NA	11½%	Standard Chartered	‖11½%
Citibank Savings	¶12½%	TCB	11½%
City Merchants Bank	11½%	Trustee Savings Bank	11½%
Clydesdale Bank	11½%	United Bank of Kuwait	11½%
C. E. Coates & Co Ltd	12 %	United Mizrahi Bank	11½
Comm. Bk. N. East	11½%	Westpac Banking Corp.	11½%
Consolidated Credits	11½%	Whiteway Laidlaw	12 %
Continental Trust Ltd	11½%	Yorkshire Bank	11½%
Co-operative Bank	*11½%		
The Cyprus Popular Bk.	11½%		
Duncan Lawrie	11½%		
E. T. Trust	12 %		
Exeter Trust Ltd	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	12½%		
First Nat. Sec. Ltd	12½%		
■ Robert Fleming & Co	11½%		
Robert Fraser & Ptrs	12½%		
Grindlays Bank	‡11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.00%. 1-month 8.50%. Top Tier—£2,500+ at 3 months notice 11.25%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 8.00% gross.
§ 21-day deposits over £1,000 9.25%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
‖ Demand dep. 8%. Mortgage 13%.

Privatisation forms main theme of Queen's Speech

BY PETER RIDDELL, POLITICAL EDITOR

FURTHER important privatisation measures and proposals to reduce government regulations will form the main theme of the Queen's Speech for the coming parliamentary session next Wednesday.

The most controversial bills, in a party political sense, will be about the sale of shares in British Gas and in the British Airports' Authority, the reform of social security and changes in the law on public order.

However, the most troublesome measures for the Conservative Party whips are likely to be the bills removing restrictions on shop hours, particularly on Sundays, and ratifying the admission of Spain and Portugal to the EEC.

A vocal minority of Tory MPs object to both bills and will ally with Opposition MPs, particularly to secure amendments to the Sunday Trading Bill.

Tory party managers believe, however, that these bills should produce fewer problems than the legislation on local authorities of the last two sessions, which led to lengthy and public divisions in the Conservative Party.

The main measures expected in the Queen's Speech will be:

Privatisation of British Gas and new regulatory framework; reform the social security benefit system and provision for personal pensions.

New regulatory framework for City securities' markets and for investor protection and powers to allow diversification by building societies and new regulatory system.

Powers to allow exclusion of young people and reform of individual wages councils; privatisation of British Airports' Authority and powers connected of expansion of Stansted; and provision to allow commercial contractors to manage Royal dockyards.

Updating law in intellectual property rights to take account of the computer revolution, and simplification of existing planning regulations and creation of new planning zones.

Controls on political advertisements by local councils and new time limit for setting rates and strengthening law on riot and violent disorder.

Control over experiments on animals and new penalties and powers to seize assets of drug trafficking.

Removal of restrictions on shop opening hours on Sundays and in evenings; ratification of entry of Spain and Portugal into the EEC and the increased role for parents on school governing bodies, grants for in-service teacher training and powers to permit teacher appraisal.

In addition, there is expected to be further legislation on home ownership, on the Okehampton by-pass, on pharmacists' contracts, on coal industry borrowing limits and on armed forces discipline.

There will also be considerable interest to see, following the ballot later this month for private members' bills, whether any member seeks to revive Mr Enoch Powell's proposal to ban experiments on live embryos.

Football on TV unlikely this season

By Raymond Snoddy

LEAGUE FOOTBALL in England and Wales seems unlikely to appear on television screens for the rest of this season, following what the Football League described yesterday as the "irretrievable breakdown" of talks between itself and the television companies.

League representatives rejected a package, suggested by the broadcasters of six "live" games, plus the Milk Cup semi-finals and final, as well as recorded highlights of 14 matches. The package did not have a price on it at this stage.

Mr Graham Kelly, league secretary, said after talks with representatives of the BBC and the ITV companies that there had been "an irretrievable breakdown in negotiations," and it appeared that league football was unlikely to be televised this season.

The Football Association is backing the league so FA Cup coverage is also unlikely this season.

Mr Michael Grade, Controller of BBC-1, said the broadcasters had tried to find a formula to get "live" and recorded football back on the screens from January until the end of the season. Mr Grade said he did not accept that the talks had broken down irretrievably.

Audiences for recorded TV highlights of football matches have halved in the past few years.

● The BBC announced yesterday a £6m package of co-production deals with broadcasters and distributors around the world.

The biggest item, worth £1m, is by WNET of New York and BBC Bristol's Natural History Unit.

Lloyd's disciplinary moves near completion

BY JOHN MOORE, CITY CORRESPONDENT

LLOYD'S AUTHORITIES are nearing completion of disciplinary proceedings against seven of the insurance market's professionals for their activities in events leading to the controversy surrounding the Richard Beckett Underwriting agency company.

This month Lloyd's ruling council is to consider a disciplinary committee's findings and the sentences imposed on the individuals, which the council can reduce. After considering the sentences the council will announce the verdicts.

The committee studied the involvement of former managers and underwriters of the Beckett agency, once known as PCW, and the extent to which, in secret, they received personal benefit from £40m of funds belonging to 1,525 underwriting members.

The committee's findings last January against six of the individuals recommended that:

● Mr Peter Dixon, who once ran the underwriting agency, be expelled from Lloyd's fined £1m and pay £215,430 towards costs of the proceedings.

● Mr Adrian Hardman, a former underwriter with the agency, be suspended for up to two years from January 1 1985 and pay £56,200 towards costs.

● Mr Colin Davies, another agency employee, be suspended for up to 12 months from January 1 1985 and pay £40,172 costs.

● Mr Anthony Oldworth, also with the agency, be suspended for up to 12 months from January 1 1985 and pay £37,466 costs.

● Mr Alan Sampson be excluded from membership of Lloyd's and meet costs of £18,733.

● Mr David Hill be reprimanded and censured, and that a notice be posted in the Lloyd's underwriting room. C... £9,366 were awarded ag... him.

These findings and sentenc... were subject to appeal.

Lloyd's had to delay ... council's consideration of ... verdicts until disciplinary p... ceedings were complet... against Mr John Wallrock, ... former chairman of Minet Ho... ings, which owned the und... writing agency.

It is believed Mr Wallroc... faced a £500,000 fine by the committee for his part in the affair.

BR to cut 2% of daily services next spring

By Sue Cameron

BRITISH RAIL is expected to cut its passenger services by an overall 2 per cent next spring. The cuts in the 15,000 daily passenger train services are likely to bring net cost savings of about £20m a year.

The proposed cuts in train services are part of BR's plans for reducing its call on the taxpayer through the Passenger Service Obligation from £807m in 1984-85 to £635m in 1986-87 — at 1983 prices.

British Rail reported what it described as "daunting losses" of £408m for the 15 months to March this year. This was after payment of total government grants of more than £1bn.

The proposed cuts in passenger train services will hit some areas harder than others. London and the south-east are expected to have a cut of around 5 per cent.

The reduction in services will chiefly affect off-peak trains. However, there will be improved services in some parts

BR said yesterday its plans for new passenger train timetables, due to be published on May 12 next year, were at an advanced stage

Liverpool finance report deepens rift with TUC

BY NICK BUNKER AND IAN HAMILTON-FAZEY

THE DIFFERENCES between Liverpool City Council and national trade union leaders deepened publicly yesterday when Labour councillors challenged the central findings of an independent report on the city's finances.

Councillors and union officials are due to resume discussions next week about the report, which they jointly commissioned from a team of municipal finance experts led by Mr Maurice Stonefrost, chief official of the Greater London Council.

Yesterday, however, Mr Tony Byrne, the city's Labour finance chairman, said there were four possible consequences of the 15 per cent rate increase suggested in the Stonefrost report.

None of them, he said, would enable the council to defend jobs, services and its housebuilding programme.

The Stonefrost report's main emphasis is that Liverpool must act now to reassure its potential money lenders, from whom it has to raise loans worth around £90m by the end of December.

"A rate increase has now become the cornerstone of the restoration of credibility," the report says. By taking hard decisions now, also possibly including a freeze on hiring staff and rent rises, the council can balance its books, it says.

Mr Byrne, however, said with a 15 per cent rate increase there would be up to 5,000 job losses.

The four options listed by the council leaders—each based on a 15 per cent rate increase—have been worked out by Mr Mike Reddington, the Liverpool City Treasurer. The first would free £12m of current spending by charging repairs to the capital account. Revenues would also be supplemented by a £4.50 a week rent rise for council tenants.

The effect on the capital account would be to reduce next year's building programme by 500 houses and 1,500 housing starts, the council leaders said.

The other three options would capitalise £9m, £6m or £3m. Respective rent rises would be £3.21, £4.88 and £6.50. These would be combined with recruitment freezes and job losses of 2,400, 3,700 or 5,000.

The housing programme would suffer by 360, 240 or 120 fewer houses respectively.

Freight group plans to merge parcel divisions

By Sue Cameron

THE National Freight Consortium yesterday confirmed it was discussing with trade union leaders proposals to merge its two parcels companies.

Losses on the group's parcels business are running at about £8m a year on a turnover of about £90m a year.

In January this year Sir Peter Thompson, chairman of the consortium, said the group was urgently considering ways of cutting losses on the parcels operation — one of the few areas of its business which has failed to show substantial profits growth.

At present 4,500 people are employed in the parcels operation. It is thought that if the proposed merger of Roadline and National Carriers goes through, the total job losses involved would be only a few hundred.

It is believed that even if the consortium were forced to give up parts of its parcels business, the maximum number of redundancies would be slightly more than 1,000.

The formerly state-owned consortium became the subject of an employee buyout in 1982.

Tory group in 'stay radical' plea

BY PETER RIDDELL

FAR-REACHING proposals to extend market and competitive disciplines in health, education, employment and housing have been proposed by a group of 13 Conservative MPs who want to maintain the Government's radical momentum.

The pamphlet, entitled No Turning Back, proposes measures including the end of rent controls on new lettings, education vouchers and student loans. Student loans have been rejected by the Government, at least until after the next general election.

The authors include several prominent spokesmen for the free-market group of MPs from the 1983 intake, including Mr Michael Forsyth, Mr Michael Fallon, Mr Neil Hamilton and Mr Gerald Howarth, as well as Mr Peter Lilley who is parliamentary private secretary to Mr Nigel Lawson, Chancellor of the Exchequer.

Two of the authors, Mrs Angela Rumbold and Mr Francis Maude, were involved in the pamphlets' early preparations before they joined the Government two months ago.

The pamphlet is clearly aimed against the strong group of "consolidatists" in the Cabinet who want to avoid further controversial changes before the election.

The authors argue that radical measures to extend consumer choice would be popular with voters.

Mr Edward Leigh, one of the co-authors, said the MPs were a ginger group supporting the radical instincts of the Prime Minister.

Mr Forsyth said he hoped the proposals would be included in future Queen's speeches and in the next election manifesto.

No Turning Back: A new agenda from a group of Conservative MPs, price £1.95 from the Conservative Political Centre, 32 Smith Square, London SW1 3HH.

Barber in S. Africa mediation

BY MICHAEL HOLMAN

LORD BARBER, a former Conservative Chancellor of the Exchequer and chairman, since 1974, of Standard Chartered Bank, was yesterday named as the British representative on the group of eminent Commonwealth representatives which will try to mediate between blacks and whites in South Africa.

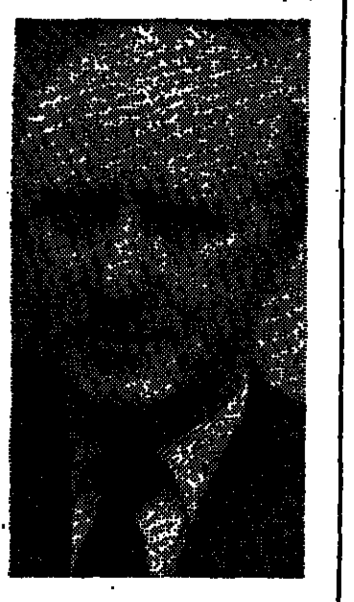
Commonwealth leaders met in Nassau, the Bahaman capital, last month and agreed to establish a small group whose job would be to encourage dialogue between the Pretoria government and "the true representatives of the majority black population of South Africa."

Among other names considered by the British Government was that of Sir Geoffrey Howe, the Foreign Secretary. This prompted a critical reaction from Sir Shridath Ramphal, the Commonwealth secretary general.

The understanding reached in Nassau was that the group would be of "independent persons acting in their personal capacities. They cannot be government representatives because no one of them will represent a particular government," he said.

Last night, Lord Barber said that over the years he had made it abundantly clear, both here and in South Africa itself, my opposition to apartheid." He had accepted the invitation to join the group in an effort "to bring peace and stability to South Africa and end apartheid."

Australia has already nominated Mr Malcolm Fraser, a former Australian prime minister. Other names being canvassed include those of Mr Julius Nyerere, who steps down as president of Tanzania this weekend, and Mr Pierre Trudeau, a former Canadian prime minister.



Lord Barber: seeking an end to apartheid

TREND OF INDUSTRIAL PROFITS — ANALYSIS OF 299 COMPANIES

analysis of companies reporting their annual results between October 1 and December 31 last year shows that consumer-related companies reasserted their lead over those in the capital goods sector in terms of profits growth.

The table below summarises the results of 299 listed companies and sets them out in accordance with the categories used in the daily FT-Actuaries Share Indices table. Figures are in £m with the brackets.

The analysis shows that the 53 companies in the consumer group recorded a total pre-tax profit growth of 29.3 per cent compared with 23.7 per cent for the 89 companies in the capital goods sector, so restoring the lead they held during the first half of last year. The financial group, comprising 45 companies, posted an overall gain of 15.3 per cent.

Growth in the consumer group was heavily influenced by the performance of the tobacco companies, consisting of BAT Industries and Imperial. The comparatively small newspapers and publishing sector's profits rose by 75.3 per cent while packaging and paper companies registered a 2.2 per cent decline, largely because of a fall in profits at Bowater Industries.

The strongest influences on the growth of the capital goods sector were the 70 per cent rise in profits of companies in the other industrial materials group, dominated by large industrial conglomerates, and the 49.6 per cent rise in profits of electronics companies.

The financial group was held back by insurance companies, whose profits fell by 95 per cent, and by the banks, where the profits downturn at Midland took the overall performance of the Big Four into a 19.5 per cent decline.

INDUSTRY	No. of Cos.	Turnover (1)	Profits before Int. & Tax (2)	Pre-tax Profits (3)	% chnge	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	13	5,022.7 (4,571.2)	554.5 (487.4)	453.0 (411.2)	+10.2	151.5 (146.4)	285.1 (245.0)	+16.4	93.5 (81.4)	+14.9	362.9 (315.4)	3,587.8 (3,120.1)	15.5 (15.6)	601.4 (656.9)
CONTRACTING, CONSTRUCTION	14	6,562.2 (6,126.9)	366.4 (315.6)	295.7 (249.9)	+18.3	99.6 (92.1)	183.8 (149.8)	+22.7	54.4 (47.7)	+14.1	258.7 (231.1)	2,674.2 (2,449.6)	13.7 (12.9)	804.3 (690.1)
ELECTRICALS	3	2,947.0 (2,767.7)	188.4 (165.7)	149.3 (136.9)	+9.1	64.0 (47.6)	68.5 (70.5)	−2.8	32.5 (32.1)	+0.6	115.8 (104.4)	1,037.5 (934.4)	18.2 (17.7)	373.7 (363.8)
ELECTRONICS	10	2,517.4 (2,155.6)	241.7 (143.5)	200.7 (134.2)	+49.6	75.1 (41.1)	124.0 (91.8)	+35.1	49.5 (31.8)	+56.2	107.4 (101.2)	1,038.1 (811.5)	23.3 (17.7)	389.5 (365.0)
MECHANICAL ENGINEERING	31	10,854.2 (9750.2)	750.9 (696.6)	508.9 (552.6)	+9.6	176.5 (153.1)	418.1 (392.5)	+6.0	122.9 (104.7)	+18.3	525.3 (505.5)	5,650.6 (5,031.7)	13.4 (13.8)	2,893.7 (2,553.6)
METALS AND METAL FORMING	2	1,172.6 (1069.1)	98.3 (79.1)	75.0 (56.4)	+35.4	29.6 (14.7)	45.1 (39.4)	+14.5	19.8 (17.4)	+13.8	53.8 (49.5)	595.4 (575.1)	16.5 (13.7)	303.1 (292.3)
MOTORS	6	4,210.8 (3,662.5)	256.7 (224.0)	189.2 (153.1)	+23.6	74.9 (55.0)	101.7 (90.2)	+12.8	36.6 (31.2)	+17.0	187.6 (157.6)	1,790.4 (1,551.2)	14.3 (14.4)	537.9 (473.8)
OTHER INDUSTRIAL MATERIALS	10	6095.7 (4130.9)	601.5 (393.4)	460.3 (270.7)	+70.0	137.4 (100.9)	311.3 (161.4)	+92.8	101.8 (70.6)	+43.3	352.2 (200.8)	3,031.6 (2,759.5)	19.8 (14.3)	895.7 (775.3)
TOTAL CAPITAL GOODS	89	39,382.6 (34,344.1)	3,058.4 (2,505.3)	2,429.0 (1,964.8)	+23.7	808.6 (650.9)	1,535.6 (1,240.6)	+23.8	511.1 (416.4)	+22.7	1,994.3 (1,665.7)	19,415.6 (17,232.9)	15.8 (13.3)	6,799.3 (6,050.3)
BREWERS AND DISTILLERS	2	87.8 (68.4)	13.1 (12.5)	11.5 (11.1)	+3.6	4.5 (4.1)	7.1 (7.0)	+1.4	2.6 (2.4)	+4.2	5.9 (5.8)	105.0 (97.4)	12.5 (12.8)	9.8 (8.9)
FOOD MANUFACTURING	8	11,947.6 (10,166.1)	895.9 (754.1)	756.6 (652.8)	+16.3	287.4 (248.8)	424.5 (360.5)	+17.8	133.0 (113.8)	+17.5	566.6 (480.8)	5,473.1 (4,631.0)	16.4 (16.3)	1,433.5 (1,466.2)
FOOD RETAILING	2	651.3 (562.9)	16.0 (13.8)	15.7 (13.3)	+18.1	4.7 (3.7)	10.9 (9.6)	+13.5	2.7 (2.3)	+17.4	11.8 (10.2)	71.4 (58.2)	22.4 (24.6)	23.6 (19.5)
HEALTH AND HOUSEHOLD PRODUCTS	3	2,051.1 (1,660.4)	241.6 (195.3)	205.3 (164.1)	+25.1	69.4 (61.1)	130.0 (98.8)	+31.6	43.9 (33.8)	+29.9	128.5 (100.8)	975.2 (875.5)	24.8 (22.3)	492.1 (371.2)
LEISURE	11	1,780.5 (1,503.9)	218.7 (174.0)	176.7 (137.8)	+28.3	62.7 (27.1)	112.2 (108.3)	+3.6	50.6 (43.5)	+16.3	119.9 (103.5)	1,617.4 (1,339.5)	13.5 (13.0)	−55.9 (−30.7)
NEWSPAPERS, PUBLISHING	7	806.8 (659.7)	120.8 (73.6)	105.2 (60.0)	+75.3	29.9 (19.3)	72.8 (38.4)	+89.6	31.1 (16.4)	+89.6	66.7 (42.9)	438.3 (360.0)	27.6 (20.1)	95.6 (46.7)
PACKAGING AND PAPER	6	3060.1 (3019.7)	154.7 (176.4)	103.5 (105.8)	−2.2	30.4 (22.0)	65.2 (65.1)	−2.9	22.1 (24.3)	−9.1	105.3 (127.7)	1029.5 (864.5)	15.0 (20.4)	342.4 (239.5)
STORES	4	681.3 (483.5)	41.7 (36.6)	37.2 (34.1)	+9.1	18.8 (11.5)	17.0 (22.3)	−23.4	7.5 (6.6)	+13.6	22.4 (25.6)	174.8 (156.8)	23.9 (23.3)	−11.6 (−4.7)
TEXTILES	6	1,905.9 (1,607.9)	195.4 (148.3)	157.8 (118.8)	+32.8	42.0 (40.0)	104.1 (70.5)	+47.7	24.7 (20.1)	+22.9	116.5 (83.0)	1,095.9 (905.9)	17.8 (16.4)	518.3 (455.3)
TOBACCOS	2	22,796.0 (18,305.0)	1,891.9 (1,335.4)	1,612.6 (1,167.8)	+38.1	590.9 (429.0)	932.3 (679.6)	+37.2	184.0 (174.7)	+5.3	1,069.2 (776.2)	7,116.5 (5,050.7)	26.6 (26.4)	777.9 (1,158.4)
OTHER CONSUMERS	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
TOTAL CONSUMER GRP ‡	53	45,768.3 (37,931.5)	3,789.8 (2,917.0)	3,182.1 (2,444.6)	+29.3	1,140.7 (866.5)	1,874.1 (1,460.0)	+28.4	502.3 (437.3)	+14.9	2,312.6 (1,756.7)	18,096.9 (15,645.9)	20.9 (21.1)	3,633.8 (3,70[illegible].5)
CHEMICALS	10	11,393.8 (9,510.9)	1,415.7 (999.0)	1,212.3 (790.9)	+53.3	444.7 (312.9)	710.2 (456.3)	+55.6	215.4 (171.9)	+25.3	964.1 (754.2)	7,373.9 (6,478.1)	19.2 (15.4)	2,478.1 (2,060.0)
OFFICE EQUIPMENT	4	1,183.9 (1,168.0)	153.3 (135.0)	115.7 (97.0)	+19.3	45.5 (49.7)	62.7 (44.5)	+40.9	30.2 (25.8)	+17.1	58.6 (50.4)	1,044.4 (1,097.4)	14.7 (12.3)	207.2 (204.4)
SHIPPING AND TRANSPORT	11	3,705.3 (3,572.3)	363.4 (284.1)	254.6 (187.3)	+35.9	72.3 (56.8)	164.9 (116.3)	+41.8	58.5 (53.6)	+8.8	252.2 (207.6)	2,664.9 (2,464.8)	13.7 (11.6)	388.1 (267.7)
MISCELLANEOUS	26	4,376.9 (3,745.3)	392.4 (301.6)	327.0 (245.8)	+33.0	126.0 (87.9)	186.0 (147.8)	+25.9	63.1 (47.1)	+34.0	230.3 (197.8)	2,052.4 (1,682.4)	19.1 (17.9)	612.5 (585.5)
TELEPHONE NET WORKS	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
TOTAL INDUSTRIAL GRP	195	105,800.8 (89,970.1)	9,185.0 (7,142.0)	7,500.7 (5,730.0)	+30.9	2,638.0 (2,024.7)	4,553.4 (3,465.5)	+30.8	1,380.4 (1,152.1)	+19.8	5,663.6 (4,632.4)	50,648.1 (43,501.1)	18.1 (16.2)	14,101.1 (13,875.6)
OILS	12	70,408.6 (59,010.5)	15,090.4 (10,165.8)	11,051.9 (9,132.3)	+30.9	7,525.2 (6,156.9)	3,717.1 (2,310.3)	+60.9	1,056.7 (855.9)	+24.0	5,673.5 (4,662.7)	46,815.2 (37,151.5)	28.0 (27.4)	5,847.6 (6,375.6)
BANKS	4	— (—)	2,583.0 (2,117.0)	1,929.0 (1,704.0)	+13.2	1,110.0 (557.0)	869.0 (1,079.0)	−19.5	295.0 (269.0)	−10.0	967.0 (1,145.0)	17,806.0 (15,263.0)	14.5 (13.9)	11,892.0 (9,766.0)
DISCOUNT HOUSES	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE (LIFE)	9	— (—)	— (—)	— (—)		— (—)	149.2 (163.4)	−8.7	155.9 (132.9)	+17.3	— (—)	40,975.2 (37,705.2)	— (—)	132.1 (−11.0)
INSURANCE (COMPOSITE)	7	— (—)	— (—)	— (—)		— (—)	13.1 (259.6)	−95.0	211.8 (200.0)	+5.9	— (—)	27,351.5 (20,997.1)	— (—)	74.8 (−53.3)
INSURANCE BROKERS	4	— (—)	180.3 (153.1)	171.1 (148.2)	+15.5	71.2 (72.5)	98.1 (75.8)	+32.9	41.7 (33.4)	+24.9	74.5 (58.1)	603.1 (533.6)	29.9 (43.3)	121.0 (85.3)
MERCHANT BANKS	3	— (—)	— (—)	— (—)		— (—)	46.2 (37.5)	+23.3	11.5 (9.4)	+22.3	— (—)	*8,637.5 (*7,225.0)	— (—)	−38,586.4 (−56,038.8)
PROPERTY	12	— (—)	238.5 (180.8)	119.1 (95.9)	+24.2	40.8 (29.4)	82.7 (63.5)	+30.7	44.4 (38.4)	+15.6	42.8 (27.6)	3,364.1 (2,532.3)	7.0 (7.1)	13.3 (57.3)
OTHER FINANCIAL	6	— (—)	518.4 (400.5)	410.4 (332.4)	+23.5	201.6 (137.8)	150.2 (146.7)	+2.4	60.9 (55.7)	+9.3	153.0 (148.4)	3,088.0 (2,354.1)	16.8 (17.0)	1,745.1 (1,132.4)
TOTAL FINANCIAL GROUP	45	— (—)	3,517.2 (2,851.4)	2,629.6 (2,280.6)	+15.3	1,423.6 (796.7)	1,408.5 (1,823.1)	−22.7	822.2 (738.8)	+11.3	1,247.3 (1,374.1)	†24,881.2 (†20,502.9)	14.1 (13.9)	−24,610.1 (−45,038.0)
INVESTMENT TRUSTS	39	— (—)	149.8 (137.9)	115.1 (104.3)	+10.4	41.2 (39.9)	79.4 (63.1)	+25.8	72.1 (59.6)	+21.0	1.0 (0.2)	4,257.9 (3,758.6)	3.5 (3.7)	−13.5 (−7.2)
MINING FINANCE	1	5,949.6 (4,811.0)	915.1 (775.5)	670.3 (575.2)	+16.5	343.2 (301.3)	216.4 (149.7)	+44.6	60.7 (54.5)	+11.4	554.7 (410.1)	6,625.8 (5,863.7)	13.8 (13.2)	1,549.7 (1,509.5)
OVERSEAS TRADERS	9	4,353.4 (3,870.8)	328.2 (248.0)	233.0 (168.7)	+38.1	120.9 (88.0)	103.2 (70.6)	+46.2	48.2 (43.3)	+11.3	106.7 (78.2)	2,196.9 (1,959.8)	14.9 (12.7)	530.6 (480.6)

NOTES ON COMPILATION OF THE TABLE

The classification is that of the *Institute and Faculty of Actuaries* used in the daily Financial Times—Actuaries Indices.

Col. 1 gives turnover, exclusive of VAT unless otherwise indicated.

Col. 2 gives profits before interest *and taxation, that is to say profits* after all charges except loan and other interest but before deducting taxation provisions and minority interests.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the *Companies Act 1948.*

Col. 3 gives Pre-tax Profits, that is to say profits after all charges including debentures and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporation taxation including Dominion, Colonial and Foreign liability and future tax provisions but excluding adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—
1—Minority interests.
2—All prior charges—sinking fund payments, etc. and Preference dividends and
3—*Provisions for staff and employees* pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities, except bank *overdrafts.*

* For merchant banks a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 *provides* an indication of average profitability.

† Excluding merchant banks and insurance (life and composite).

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

‡ Other Consumer Group has been absorbed into other groups.

UK NEWS—LABOUR

John Lloyd on a union dilemma over bonus incentive schemes

Pay prospects to tempt the NUM

THE National Coal Board yesterday refused to make a pay offer to the National Union of Mineworkers until the union had given specific commitments in writing to accept that it would operate under incentive bonus schemes a system to which the union is opposed in principle.

This is to be put to the full NUM executive next week—but it is already clear from the offer made to the breakaway Nottinghamshire and South Derbyshire miners what the shape of the package is likely to be.

That offer would bring top average pay in the pits to more than £200 a week for the first time. But there is controversy as to what it would mean on percentage rates. And it is unclear how much money the three separate incentive deals already offered in outline would give the miners once they are agreed.

Under pressure from the Notts union, the board has offered a £5.50 across-the-board payment for all workers. The table shows the rise in basic rates that this produces for all miners. In addition, the board has offered a 50p increase a shift, or £2.50 a week on the incentive rate, raising it from £6.30 to £6.80, for achievement of standard (100 per cent) output. This lifts the average bonus for standard output from £31.50 to £34 a week.

However, the Notts miners are producing well above standard. In the last two weeks, they have earned on average £53.50 on incentives. Since the incentive payments go up with productivity the Notts face workers (who get the highest incentive rates) will enjoy an incentive rate increase of £4.25 a week. Taken together with the basic rise, this would give them an average weekly rise of £9.75.

There is then a debate on how this rise is calculated in percentage terms. The Notts miners reckon it is worth between 6 and 7 per cent—calculating the £9.75 as a percentage rise on basic pay. But Incomes Data Services, an independent pay research group, in an analysis to be published next week, has separated the basic rise and the incentive rise to calculate a lower percentage figure.

Its calculation takes the top underground basic, £145.95, adds the present average Notts incentive, £53.50, to produce a present average payment for top face workers of £199.45. Adding the £9.75 increase on offer would give an average rate of £209.20, a rise of 4.9 per cent.

However the calculations are done, the board has told the Notts miners that much more could be available from three incentive scemes on which discussions will be held after Nottinghamshire and South Derbyshire ballot on the offer, probably on November 8.

These are:

- A scheme for face and development workers, producing extra money for increased production.
- A scheme for underground (non-face) and surface workers, producing extra money depending on the profitability of the pit.
- A scheme for all workers based on better safety records and lower absenteeism rates.

This last scheme could be backdated to April 1984: meaning that those miners who did not strike throughout the miners' dispute would get as much as £60. In each of the schemes, bonuses would be payable in lump sums either quarterly or before holidays.

It is clear from the pattern set by the package offered to the Notts and South Derbyshire men that the board wishes to reshape pay in the pits to a system based substantially on incentive pay for harder work and better attendance.

A further consideration could be to encourage the growth of the breakaway Union of Democratic Mineworkers, which is not encumbered by a principled opposition to incentives. By next week it is likely that the breakaway miners will have approved the offer as their leaders already have.

The pressure on the NUM executive to dilute its principles in order to take what it can before it suffers a haemorrhage of members to the UDM is now very great.

Ian MacGregor, NCB chairman, and Arthur Scargill, NUM *president: the battle switches to pay*

COAL BOARD OFFER TO NOTTS AND SOUTH DERBYSHIRE MINERS

Grade	Basic rate £	Increased offered £	% increase
Underground(top)—U1	145.95	5.50	3.7
Underground (bottom)—U7	117.90	5.50	4.6
Surface (top)—S1	112.40	5.50	4.8
Surface (bottom)—S6	105.85	5.50	5.2

TUC chairman urges pressure over apartheid

BY HELEN HAGUE, LABOUR STAFF

BRITISH trade unionists had a responsibility to press the Government to impose sanctions on South Africa, Mr Ken Gill, chairman of the TUC, said yesterday. He was speaking on the eve of a march due to be held in London today organised by the Anti-Apartheid Movement.

He accused the Government of sheer cowardice for refusing to impose sanctions against South Africa's apartheid regime. He said British trade unions had a responsibility to campaign for effective economic measures against what he called a violent and racist system.

"British workers have a lot at stake," said Mr Gill, who is also general secretary of Tass, the white collar engineering union. "For too long British capital has exploited cheap black labour in South Africa while British industry has been starved of investment."

He said that "damaging and inhuman racist attitudes" had been fed and encouraged for too long by government support of the apartheid regime.

At today's march and rally he was due to share a platform with Mr Oliver Tambo, president of the African National Congress, and Rev Jesse Jackson, a contender for the US Democratic Party's presidential nomination in 1984.

Left-led NCU set to conform with Trade Union Act

BY DAVID THOMAS, LABOUR STAFF

THE NATIONAL Communications Union looks set to change its rules to bring them into line with the 1984 Trade Union Act at its rules revision conference later this month.

Several other big unions have adapted their rules to conform with the legislation, but the move by the NCU is particularly significant because its executive is controlled by the left.

The 160,000-strong NCU is composed of an engineering group and a clerical group, each with its own executive council. The union also has a national executive committee drawn from the two groups.

The main rule change to be voted on will affect the engineering group. Amendments have been tabled which will mean that the engineering group executive and the engineering members on the NCU's national executive will be elected by a ballot of individual members.

These changes will bring the union into line with part I of the Trade Union Act, which is designed to end indirect systems of elections to unions' executives.

At present, the engineering group members on the national executive are chosen from among the members of the group's annual conference.

The amendments designed to conform with the Act are likely to be supported by the union's national executive, though they will probably be opposed by some sections of the left, who argue that the union should not change its rules to conform with the law.

Some branches have tabled amendments which would bring the engineering group fully into line with the pre-strike ballot provision of the Act.

The amendments would compel branches to hold individual ballots before instructing members to take industrial action. At present, the rules do not specify how branches should reach such decisions.

It is not yet clear what attitude the union's executive will take to these amendments, but earlier this year it ordered the London City branch to hold a ballot under the terms of the Act after it had been served with an injunction by British Telecom to stop the branch calling some members out on strike and banning overtime without a ballot.

Nalgo raps restrictive role plan

By Helen Hague, Labour Staff

THE PROPOSAL by Mr Kenneth Baker, Environment Minister, to ban council officers from standing as councillors was called draconian and undemocratic by leaders of the National and Local Government Officers Association.

Mr John Daly, Nalgo general secretary, said Mr Baker's proposal was part of an attempt to de-politicise local government and restrict its role to the provision of the most elementary public services.

Local government officers are prohibited already from holding office as councillors of their employing authority.

Mr Daly, whose union represents more than 500,000 local government workers, said an attempt to ban council officers from standing for office in other authorities would create two classes of citizen.

Award for BBC's weather system

BBC Television's new weather presentation system has won an award for the most imaginative and economically effective application of computer technology in Britain this year.

The British Computer Society Applications Award comes 10 months after BBC's weathermen abandoned the magnetic cloud, rain and snow symbols for a computerised graphic display

Hopes rise of peace in teachers' dispute

BY DAVID THOMAS

A MOVE to settle the teachers' dispute could result from a meeting of the teachers' side of the Burnham negotiating committee called for November 11.

This follows confirmation yesterday from Sir Keith Joseph, Education Secretary, that he was removing the overall majority of the largest union, the National Union of Teachers, on the teachers' side.

The union is insisting that any settlement must involve a clear commitment by the employers to restore teachers' pay to the level set by the Houghton report in 1974.

The other teaching unions, which will now be able to outvote the NUT would be likely to agree to an offer only slightly better than the latest informal offer from the employers—6.9 per cent, staged to be worth 7.5 per cent in a full year.

The teachers' side may, therefore, decide on November 11 to seek fresh negotiations with the employers.

However, referring to the need for an improved offer, Mr Nigel de Gruchy, deputy general secretary of the National Association of Schoolmasters/Union of Women Teachers, warned yesterday that the new composition of Burnham was "not going to lead to an instant solution to the 1985 pay dispute."

Mrs Nicky Harrison, leader of the employers' side, said: "The only gaurantee of settling this dispute is if the Education Secretary coughs up enough government cash to satisfy both employers and teachers, which so far he has refused adamantly to do."

Sir Keith justified his cut in the NUT's representation from 16 to 13 in terms of the changing membership among unions.

Mr Fred Jarvis, NUT general secretary, said it was unprecedented that in the middle of a big dispute "a person with a vested interest and a major say on the employers' side of a negotiating body interferes with the composition of the employees' side."

Mr Jarvis said Sir Keith wanted to reduce the power and influence of the NUT. "He will not succeed, however. We will remain the major force in the teaching profession."

Mr de Gruchy said: "We should now get an outbreak of common sense which has been sadly lacking in recent times from the NUT."

Mr David Hart, general secretary of the National Association of Head Teachers, said that one of the consequences would be the settlement of the dispute.

Mr Giles Radice, Labour's education spokesman, said: "Any settlement must be acceptable to all the unions on the teachers' panel."

Caterpillar signs 'unique' deal with AUEW

BY ANDREW FISHER

CATERPILLAR TRACTOR, the US construction equipment maker, has signed an unusual pay deal at its Leicester plant. The agreement introduces secret ballots, short-term contracts, monthly wages, full sickness pay and a reduction in job categories.

The two-year deal, which goes further than a similar one signed last month at the Glasgow factory, will give the 400 hourly-paid workers a 7 per cent pay increase in the first year and 5 per cent in the second. It was agreed on Thursday with the Amalgamated Union of Engineering Workers.

"We think it's unique," said Mr Michael Flexsenhar, manager of the Leicester plant.

Caterpillar will be able to hire people on short-term contracts of up to a year equal to 10 per cent of the workforce. Mr Flexsenhar said the group would probably soon reach this limit.

Under the agreement, effective from Monday, a secret ballot will be required before any industrial action is taken—no big disputes has occurred there for 25 years—and both management and union cases can be included in material sent to the workforce.

The number of job titles will go down from 31 to 10. "This will give us tremendous flexibility and labour mobility," said Mr Flexsenhar.

The company will be able to retrain people so that an electrician, for example, will be able to do mechanical and maintenance work. Shopfloor workers will do their own testing. The plant employs 750 people, including staff.

Hourly paid employees will receive full sick pay under the agreement. Previously, short absences were not paid for.

Mr Flexsenhar said the Caterpillar factories in the UK, Belgium and France had bought nearly £90m worth of British machine tools and fixtures in the past five years, including more than £20m this year.

The group, which had worldwide sales of $6.6bn (£4.6bn) in 1984, would reach this year instead of next its target of cutting costs by 22 per cent below 1981 levels, he added.

Caterpillar has embarked on a study aimed at modernising its factories for greater cost savings and efficiency. The labour agreement is expected to support this project.

Solicitors' staff strike over pay

By Our Labour Staff

CLERICAL STAFF at fi... offices of Robin Thompson and Partners, a national firm of solicitors which works largely for trade unions, staged a one day strike yesterday over pay.

The clerical union Apex claimed that 150 out of 200 staff joined the strike at two London offices and others in Birmingham, Cardiff and Edinburgh. Staff at one London office worked.

In April, the union claimed a £1,000 pay rise across the board. The firm responded with an offer worth about 7½ per cent with variations up to a maximum of 11 per cent, according to Mr Geoffrey Thomson, a partner.

This offer was formally rejected by Apex in August, and a strike ballot ensued. Clerical staff salaries range from £3,000 for a 16-year-old to more than £10,000.

Apex says many women clerical staff are so poorly paid that a substantial rise is needed. The Transport and General Workers' Union, the Amalgamated Union of Engineering Workers and some areas of the National Union of Mineworkers are among the firm's clients.

More Scots miners to get jobs back

ANOTHER 17 Scottish miners sacked during the year-long strike are to get their jobs back, the National Union of Mineworkers said yesterday. It brings the total so far to 53.

The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Columns (1)–(6): as at close of business on Monday 21st October 1985. Columns (7)–(11): as at 30th September 1985.

Total Net Assets (1) £million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	Geographical Spread: UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 30.9.85 (12) base=100
	CAPITAL & INCOME GROWTH										
410	Alliance Trust	Independently managed	620	4.2	815	42	44	8	6	89	267
100	Bankers	Touche, Remnant	91	3.8	118	40	38	10	12	106	266
232	Border & Southern	John Govett	165	3.1	217	60	14	13	13	105	226
75	Brunner	Kleinwort Benson	75	4.2	101	43	33	5	19	97	244
84	*Charter Trust & Agency*	*Kleinwort Benson*	81	4.0	103	65	22	10	3	97	243
125	Continental & Industrial	Schroder Inv. Man.	613	4.7	729	64	30	1	5	97	232
515	Edinburgh Investment (w)	Dunedin Fund Managers	113	4.1	147	54	24	11	11	98	−241
566	Foreign and Colonial	Foreign & Colonial	64	3.1	86	42	32	16	10	107	239
745	Globe	Electra House Group	266	4.9	374	63	26	7	4	102	244
288	Philip Hill	Philip Hill	253	5.4	297	72	26	–	2	92	226
9	Jos Holdings	Kleinwort Benson	127	4.0	144	79	12	4	5	96	255
†	Keystone	Warburg Inv. Man.	380	3.8	–	56	20	12	12	109	†
7	Lancashire & London (q)	Rea Brothers	134	5.5	173	94	6	–	–	71	†
31●	*London & Strathclyde*	Gartmore	168	2.0	190	62	28	1	9	97	231
44●	Meldrum	Gartmore	169	4.2	219	83	11	6	–	91	273
100	Outwich	Baring Brothers	135	3.2	182	66	12	13	9	101	223
115	Raeburn	Lazard Brothers	317	4.4	418	57	31	7	5	94	229
81	River and Mercantile	River & Merc. Inv. Man.	138	5.7	167	52	37	6	3	97	247
44	River Plate & General (w) Δ	Tarbutt & Co.	220	4.9	264	79	13	–	8	95	211
37	S. & P. Ret. of Assets (w) Δ	Save & Prosper Group	96	1.1	102	80	20	–	–	159	†
25	Scottish & Mercantile (q)	Rea Brothers	368	5.4	452	96	4	–	–	104	†
18	Scottish Cities (q)	Rea Brothers	448	5.3	542	97	3	–	–	71	†
362	Scottish Mortgage	Baillie, Gifford	370	2.9	470	48	24	18	10	102	274
199	Scottish National	Gartmore (Scotland)	230	2.8	290	56	26	10	8	95	230
135	Second Alliance	Independently managed	532	4.4	701	41	44	8	7	92	266
467	TR Industrial & General	Touche, Remnant	150	3.3	203	48	23	19	10	103	222
392	Witan (w)	Henderson	154	2.6	203	61	24	10	5	105	266
41	Yeoman (q)	Independently managed	277	4.9	331	82	13	2	3	96	240
	United Kingdom										
22z	City of Oxford	Hambros Bank	236	4.4	283	99	1	–	–	96	243
36	Fleming Claverhouse	Robert Fleming	273	4.7	360	100	–	–	–	98	264
65	Shires (w)	Stanecastle Assets	211	8.9	217	83	14	2	1	76	196
118	TR City of London	Touche, Remnant	94	5.9	115	90	10	–	–	102	252
94	Temple Bar	Guinness Mahon Inv. Man.	130	5.5	164	98	2	–	–	94	276
	CAPITAL GROWTH										
	General										
209	Anglo-American Securities	Morgan Grenfell	266	3.1	362	46	36	15	3	104	233
53	Ashdown	Schroder Inv. Man.	128	3.3	160	62	24	9	5	98	216
161	Atlantic Assets	Ivory & Sime	105	0.7	130	31	67	–	2	96	214
66	Electric & General	Henderson	273	1.9	363	50	33	11	6	96	266
25	*Greenfriar (w)*	*Henderson*	248	0.9	264	64	16	11	9	105	327
6	Personal Assets (q)	Ivory & Sime	40	0.7	40	46	54	–	–	87	†
	International										
70	Berry	GT Management	161	0.9	193	50	24	8	18	110	266
106	English & New York	Kleinwort Benson	105	3.4	126	9	47	13	31	101	233
75	English & Scottish	Gartmore	73	2.5	90	44	19	14	23	87	227
18	F & C Eurotrust	Foreign & Colonial	145	1.7	152	4	–	–	96	97	†
185	Fleming Overseas	Robert Fleming	107	3.7	139	8	49	16	27	94	228
84	Fleming Universal	Robert Fleming	280	2.6	352	15	45	15	25	97	247
57●	Gartmore Inform. & Fin. (w)	Gartmore	45	3.5	59	55	45	–	–	117	197
50	General Funds (q)	City Financial	128	2.1	141	42	19	25	14	99	220
24	Group Investors (w)	CS Investments	234	2.6	283	51	42	3	4	93	265
124z	Hambros (w)	Hambros Bank	155	3.9	204	52	34	8	6	108	260
38	'Investing in Success' (q)	City Financial	492	1.6	616	34	18	29	19	100	222
171	Investors Capital Trust	Independently managed	227	2.4	269	35	37	17	11	100	213
16●	London & Gartmore	Gartmore	250	1.4	285	40	42	7	11	100	219
10	Mid Wynd International	Baillie, Gifford	155	2.0	178	22	38	15	28	96	†
146	Monks	Baillie, Gifford	145	2.4	187	31	25	26	14	96	237
191	Murray Growth	Murray Johnstone	117	1.7	124	42	39	10	9	94	245
78	Murray Smaller Markets	Murray Johnstone	191	1.9	242	16	8	16	60	102	269
7	Nordic Δ	GT Management	47	–	53	2	–	–	98	98	†
61	North Atlantic Securities Δ	Morgan Grenfell	263	1.7	313	–	54	33	13	88	218
119	Northern American	Dunedin Fund Managers	250	3.1	333	24	36	27	13	97	233
24	Northern Securities	GT Management	164	1.5	207	60	24	2	14	111	239
96	Romney	Lazard Brothers	240	2.8	322	23	33	15	16	96	234
216	Scottish Eastern	Martin Currie	85	3.4	109	55	22	13	10	110	232
335	Scottish Investment Trust	Independently managed	266	2.7	336	38	36	12	14	103	220
71	Trans-Oceanic	Schroder Inv. Man.	148	3.6	196	41	35	13	8	103	213
73	Tribune	Baring Brothers	108	3.0	141	46	24	16	14	89	255
197	U.S. Debenture Corp.	GT Management	206	4.5	263	57	25	9	9	104	215
	North America										
182	American	Edinburgh Fund Mgrs.	123	3.5	152	27	73	–	–	99	207
132	Edinburgh Amer. Assets	Ivory & Sime	97	0.7	119	29	65	1	5	115	243
115	Fleming American	Robert Fleming	440	1.7	546	1	99	–	–	93	215
28	Gartmore American Secs.	Gartmore	105	2.7	136	27	59	7	7	95	254
183	Stockholders	John Govett	116	3.1	150	24	75	–	1	93	185
77	TR North America	Touche, Remnant	83	3.1	105	7	93	–	–	110	230
	Far East										
26	Drayton Far Eastern (w)	MIM	131	1.2	152	5	–	63	32	91	†
106	F & C Pacific (w)	Foreign & Colonial	133	1.3	184	15	20	37	28	104	202
155	Fleming Far Eastern	Robert Fleming	79	1.8	101	2	–	70	28	98	235
163	Lake View	John Govett	143	2.5	175	20	–	64	16	102	225
5	New Australia Δ	Edinburgh Fund Mgrs.	85	0.7	110	6	–	–	94	94	†
13	Pacific Assets (w)	Ivory & Sime	79	–	88	37	–	–	63	78	†
46	Pacific Investment (w) Δ	Thornton & Co.	80	0.6	91	9	–	56	35	93	†
35	TR Australia (w)	Touche, Remnant	87	3.4	114	7	–	–	93	87	210
110	TR Pacific Basin (w)	Touche, Remnant	119	1.2	147	5	–	76	19	94	267
	Japan										
29	Baillie Gifford Japan (w) Δ	Baillie, Gifford	234	0.4	269	–	–	100	–	91	†
8	Baillie Gifford Shin Nipp. (w)	Baillie, Gifford	46	–	51	1	–	99	–	51	†
53	Crescent Japan	Edinburgh Fund Mgrs.	137	0.8	164	–	–	100	–	104	380
139	Drayton Japan	MIM	406	0.7	506	4	2	93	1	94	†
51	Fleming Japanese	Robert Fleming	434	1.3	526	3	–	97	–	92	272
49	GT Japan	GT Management	126	1.6	137	9	4	83	4	106	334
46	Japan Assets (w)	Ivory & Sime	47	0.2	55	18	–	82	–	91	†
44	New Tokyo (w)	Edinburgh Fund Mgrs.	186	0.7	206	–	–	100	–	90	†
	Commodities & Energy										
6●	City & Foreign	MIM	110	–	145	16	84	–	–	88	†
	Comm. & Energy (cont.)										
8	New Darien (w)	Hodgson Martin	65	0.7	75	40	52	–	8	95	†
†	North Sea Assets	Ivory & Sime	76	0.9	†	†	†	†	†	†	†
16	Precious Metals Δ	J. Rothschild	111	0.7	133	11	52	1	36	88	†
95	TR Natural Resources	Touche, Remnant	211	5.1	280	41	36	–	23	95	164
37	Viking Resources	Ivory & Sime	63	2.6	93	49	51	–	–	98	101
14	Wemyss	*Edinburgh Fund Mgrs.*	523	5.7	605	44	30	–	26	87	160
25	Winterbottom Energy	Baillie, Gifford	86	-1.2	104	10	56	17	17	71	152
	Technology										
10	Baillie Gifford Tech. (w)	Baillie, Gifford	72	1.7	89	54	42	1	3	52	†
65	Fleming Technology	Robert Fleming	126	2.6	164	45	33	18	4	93	205
82	Independent	Ivory & Sime	250	0.3	291	36	60	–	4	98	†
279	TR Technology	Touche, Remnant	84	2.9	115	44	40	13	3	101	221
	INCOME GROWTH										
277	British Assets	Ivory & Sime	212	4.7	264	52	46	–	2	97	262
172	Drayton Premier	MIM	436	4.8	546	69	20	8	3	92	†
109	First Scottish American	Dunedin Fund Managers	268	4.8	342	78	13	8	1	97	267
59	General Consolidated Δ	Philip Hill	258	5.5	311	67	30	–	3	89	250
28	Lowland	Henderson	113	5.5	106	90	5	–	5	104	400
133	Merchants	Kleinwort Benson	98	5.5	127	55	26	7	12	91	234
133	Murray Income	Murray Johnstone	123	6.3	148	76	12	–	12	101	297
219	Murray International	Murray Johnstone	130	4.9	166	40	43	9	8	89	266
148	Securities Trust of Scotland	Martin Currie	126	4.5	163	57	26	11	6	108	253
	SMALLER COMPANIES										
38	Dundee & London (q)	Tay & Thames Inv. Serv.	171	4.3	223	73	14	13	–	95	242
39	English & International (w)	MIM	123	4.1	161	62	24	9	5	107	224
56	F & C Alliance	Foreign & Colonial	81	3.0	108	49	30	14	7	106	228
13	Family	Kleinwort Benson	223	4.7	297	96	2	–	2	96	277
7	First Charlotte	Ivory & Sime	11	0.7	9	95	1	4	–	99	†
18	Fleming Fledgeling	Robert Fleming	103	3.5	139	75	22	3	–	95	231
26	General Stockholders	John Govett	137	2.7	179	51	47	1	1	100	171
52	Glasgow Stockholders	Gartmore (Scotland)	116	2.6	134	48	35	5	12	93	219
26	London Atlantic	Investors in Industry	162	5.5	217	70	15	–	15	92	226
17	Moorgate	Philip Hill	305	5.4	362	93	2	–	5	91	286
18	North British Canadian	Investors in Industry	157	4.8	260	93	5	–	2	102	251
50	St Andrew	Martin Currie	111	3.6	143	57	27	13	3	93	247
179	Scottish American	Stewart, Ivory	255	3.3	320	52	33	7	8	93	224
34	Smaller Companies Int.	Edinburgh Fund Mgrs.	65	2.6	85	52	28	20	–	89	258
186	TR Trustees Corp.	Touche, Remnant	139	3.9	188	66	27	6	1	111	225
198	Throgmorton (w)	Throgmorton Inv. Man.	239	4.5	301	88	10	1	1	114	284
	SPECIAL FEATURES										
59	Ailsa Δ	J. Rothschild	92	2.8	115	45	25	16	14	96	†
12●	*Consolidated Venture (w)*	MIM	97	1.3	122	8	92	–	–	87	†
136●	Drayton Consolidated	MIM	310	4.3	394	71	21	5	3	94	188
18	Edinburgh Financial (w)	Stanecastle Assets	39	3.3	45	86	8	4	2	102	†
34●	Fleming Enterprise	Robert Fleming	272	4.5	341	99	1	–	–	92	264
249	Fleming Mercantile	Robert Fleming	117	3.7	161	53	29	7	11	99	231
19	GT Global Recovery Δ	GT Management	123	2.3	145	71	20	–	9	113	†
46	Murray Ventures (w)	Murray Johnstone	287	2.7	379	72	10	7	11	87	255
76	Nineteen Twenty-Eight Δ	London & Manchester	161	3.1	203	95	5	–	–	95	215
8●	Stewart Enterprise (w)	Stewart, Ivory	37	1.5	48	58	26	10	6	95	†
92	TR Property	Touche, Remnant	150	3.4	190	69	18	4	9	99	210
	SPLIT CAPITAL (x)										
21	Altifund 86/88	Gartmore	506	0.1	582	98	2	–	–	91	279
2	Child Health 87	Thornton & Co.	285	–	328	50	2	22	26	106	255
36	City & Commercial 88/93	MIM	593	–	852	87	6	6	1	115	†
32	Dualvest 85/87	MIM	1165	–	1360	91	8	1	–	106	238
28	Fundinvest 85/90	MIM	314	–	392	85	7	7	1	107	247
2	Marine Adventure 88	Thornton & Co.	175	–	209	49	2	22	27	107	†
†	New Throg. (1983)(w) 08	Throgmorton Inv. Man.	31	–	†	†	†	†	†	†	†
32	S. & P. Linked 95/97	Save & Prosper Group	306	–	564	100	–	–	–	121	297
20Ø	*Throg. Secured Growth* –	*Throgmorton Inv. Man.*	304	–	394	100	–	–	–	67	202
81	Triplevest 87/91	MIM	765	–	1121	89	10	1	–	111	†

NOTES TO THE TABLE

† No data.
* Applies to Ordinary/"A" Ordinary only.
□ More than one quarter in non-equity investments.
(x) Capital shares and winding-up dates.
z Incorporates recent revaluation of unlisted investments.
ar Adjusted for scrip issue.
ar Adjusted for rights issue.
(q) Published quarterly.
(w) Company has warrants or options in issue.
● More than 20% in securities or other assets included at directors' valuation.
Δ The Trust has provisions for a limited life. Please refer to the company for further information.
Ø Figures not directly comparable with previous month.

Cols. 1, 4 to 6 Figures supplied by Wood Mackenzie & Co. Ltd. members of The Stock Exchange. The figures in Cols 1&6 are estimated to have been based on latest valuation supplied by the companies and made available to The Stock Exchange.

Col. 11 The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'More for your money.'

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London EC2M 7JJ. Tel: 01-588 5347.

INDICES OF FIVE YEAR TOTAL RETURN

+ Investment Trust Average	236
F.T.-Actuaries All-Share	258
* Standard & Poors Composite	291
* Tokyo New Stock Exchange	363
* Capital International World	287

+ Excludes split capital.
* Adjusted for exchange rate changes.

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Pantomime over pay

THE CHRISTMAS pantomime season is still a little way off but the Confederation of British Industry and Mr Nigel Lawson, the Chancellor, were kind enough this week to run through some of their more familiar question and answer routines. The CBI made its ritual plea for a speedy reduction in all of the costs for which businessmen do not have a prime responsibility: the exchange rate, the cost of borrowing and non-wage labour costs (social security taxes).

On this occasion, however, the CBI was not the only organisation primed by industrialists to call for an urgent reduction in business costs. *A minor rewriting* of an old and dog-eared script brought an inexperienced actor blinking into the limelight: the Central Electricity Generating Board. It was delegated the task of calling for a speedy cut in the other business cost over which Whitehall has *some control—energy.*

The Chancellor's risposte to these familiar pleas is as well known as a pantomime chorus and was delivered with comparable gusto at an investment seminar this week. Far from worrying excessively about the costs they cannot control, companies should focus on those for which they have direct responsibility — principally pay settlements. It is unrealistic for big companies to complain that their position in international markets is being undermined by energy costs, the level of the pound, or the cost of borrowing when the impact of all these factors is dwarfed by the drain on cash flow of annual wage awards in the region of 7 to 10 per cent.

Best placed

This question and answer session, which seems to have been repeated endlessly, serves no obvious purpose. Industrialists only make the Government's task harder when they call so publicly for the very things—lower interest rates for example—that any Chancellor would, other things being equal, like to provide.

On the other hand, the Chancellor does very little to further the cause of higher employment merely by urging companies for the umpteenth time to keep a tighter lid on pay settlements. It would be reasonable, however, for him to ask the CBI, as the main body representing employers, just why its members are so willing to grant *wage increases that are roughly* twice the prospective rate of inflation. Nobody has yet come up with a fully convincing rationale for this but the CBI ought to be best placed to discover one—if such exists.

There seems to be neither a social nor an economic rationale for the present level of pay settlements. The combination of very high unemployment and a union movement in disarray might have been expected to cause management to take a rather hard-nosed attitude to labour costs. In the UK's bigger and more profitable companies a nil or 2 per cent award could be justified on the grounds either that this was all that workforces in Japan, West Germany or the US were getting or that it was in the wider public interest—it would mean that more employment was associated with any given increase in nominal GDP.

So far as economics is concerned, the relaxed posture on pay might make sense if British manufacturers were highly profitable and had clear superiority in overseas markets. Even then, however, it would be likely to be matched by a similar lack of concern about other industrial costs such as energy bills and borrowing charges. It seems to make no sense at all for companies in a *weak competitive position* to be worried by every industrial cost except pay. The mystery is further deepened by polls which suggest that three quarters of Britain's companies thought this year's pay award was "about right" and that almost none have serious industrial relations problems.

There seem to be only three possible explanations of British industrialists' attitude to pay. The first is that, notwithstanding the Government's labour legislation and the rise of unemployment, most big companies are still secretly frightened of their unions and will agree to almost any faintly reasonable settlement in the interests of industrial peace. The second is that many companies, a Mr David Walker at the Bank of England has often argued, are simply myopic: *when profits are high they are* willing to grant high wage awards because they have no coherent long-term industrial strategy and no better immediate use for the money they have earned.

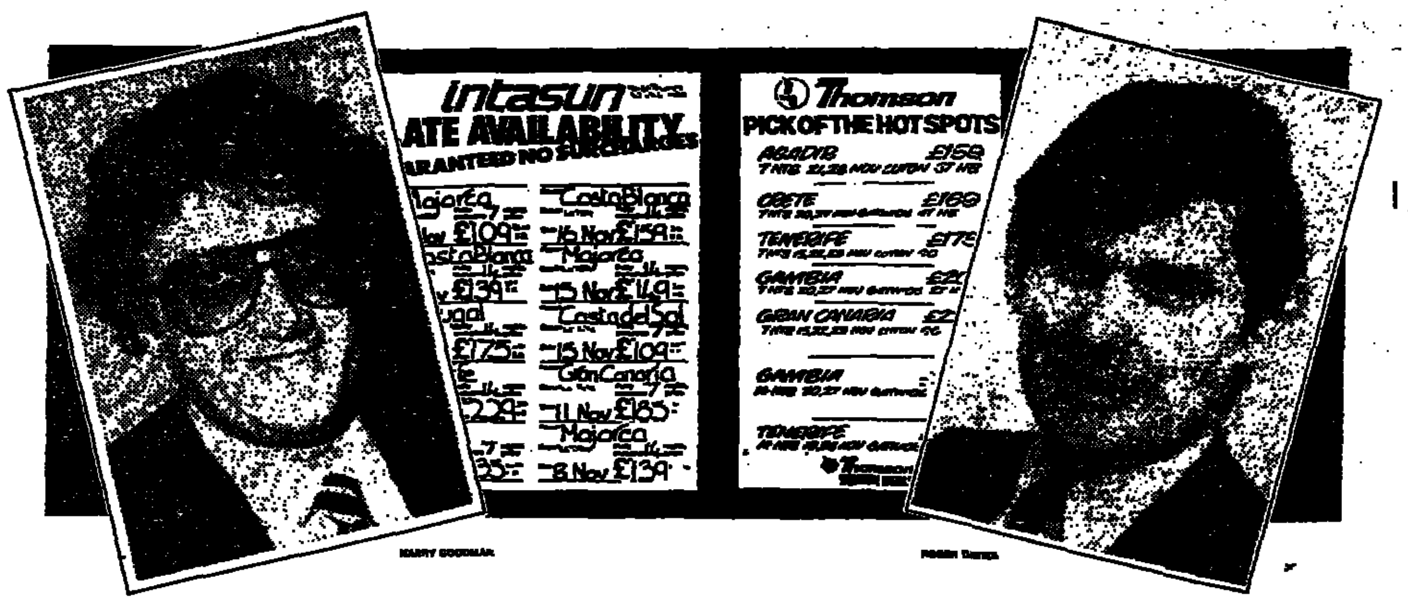
The third and in some ways most alarming possibility is that companies do care about wage costs but only about the total wage bill: wage rates per se are irrelevant. To keep the peace managers are happy to grant a 10 per cent wage increase but offset the cost by closing a couple of less-profitable plants. Yet from a social point of view it matters whether companies pay fewer workers more or more workers less.

The Government has already taken steps to reduce the tax incentives for labour-saving investment. The question that needs to be asked at a time of high unemployment is whether this process should be taken further—to make it cost-effective for companies to spread a given wage bill among a greater number of employees.

UK TOUR OPERATORS' PRICE WAR

A touch of sunstroke

By Arthur Sandles in Sorrento



The two protagonists and yesterday's best buys from a London travel agent

THE travel industry gets more like show business every day and, as with show business, it is difficult at times to remember that real money is involved.

Nonetheless the money being made and lost in the current circus atmosphere of price cutting and bargain holidays is real enough. Over the past three weeks Britain's tour operators have taken bookings worth over £200m for holidays in 1986—seven times the normal level.

To some those bookings, in a £2bn market, have been won at an awesome price. Mr Harry Goodman, the curly-haired chairman of International Leisure, the Intasun parent company, reckons that 100 tour operators will be squeezed out of the business by the end of next year. The chairman of the Association of British Travel Agents, Mr Eric Sutherland, talks of "bloodletting" in the industry but not everyone agrees.

For a start the 1m holidays which will probably have been sold by the time this weekend is over have gone with scarcely a line of advertising. It has been a hugely successful public relations exercise. Both Thomson and Intasun have highly skilled publicity departments and both have high profile senior executives who enjoy talking to notebooks and cameras. "We have created a lot of excitement, look at the Press coverage. It is worth millions," says Harry Goodman.

Indeed, so alarmed by its rivals' promotional edge has Intasun become that it has signed up a public relations consultancy in the past couple of weeks to fight back.

At times the publicists' battle in Sorrento, the Bay of Naples resort where 3,000 travel agents and perhaps another 1,000 or more spouses, reporters and general camp followers have been gathering this week, has bordered on the ridiculous in its frenetic pursuit of headlines. Thomson whisked a handful of journalists off to one of the most expensive restaurants on the Amalfi coast and treated them to a midnight firework display on the beach; Intasun has been throwing nightly parties in the palatial cliff-edge villa that Mr Goodman has rented for the week, gatherings which on one evening descended to the singing of bawdy anti-Thomson songs.

The publicists' have a significantly more important role in this game than simply generating instant headlines. It is in the interests of all operators to generate a fear among the public that there will be a shortage of holidays next year: it is in the interests of the major groups to suggest that smaller ones are financially unsafe. It is always in the interests of those with publicly quoted shares to claim that all this can be done profitably.

There seems little doubt that the surge of bookings has an enormous impact on profits. "We will have taken 600,000 bookings by Christmas," says Harry Goodman. "That makes a dramatic difference to our profitability. We will have taken £24m, in deposits. That is £20m more than last year." This cash flow is used both for working expenses and to generate investment income.

The price cutting, meanwhile, has not been entirely funded out of tour operator margins. Sterling has strengthened significantly against the major sunshine currencies, the Peseta and Drachma, as well as against the fuel currency, the US dollar. At the same time Spanish hoteliers, worried by the huge fall off in British business last summer, have been willing to hold down, or even cut, rates in order to woo back UK custom.

Nonetheless the major companies are able to enjoy the economies that their size brings, notably in such fields as buying power, staffing efficiencies and filling their own aircraft with their own passengers. Once a tour company has to share flights, it is linking its fate with others, making such things as "no consolidation guarantees" (a promise of no changes to holidays) much more difficult to offer.

Horizon Bruce Tanner puts the magic figure for such economies at 400,000 passengers a year. If true, only four groups — Thomson, Intasun, Horizon and British Airways Holidays — would be enjoying the luxury of manouvrability.

That, however, is in the field of general holidays. In some concentrated geographic areas or particular market segments there are companies which have a large, and profitable, slice of the action — Meon in villas, Jugotours in trips to Yugoslavia, Grecian and Sunmed in holidays to Greece. Long haul, in which the market leader is the Swiss-based Kuoni, has not been touched by the price battle and is a growing sector.

It was not, of course, Mr Goodman who started all this. That honour must go to Mr Roger Davies, chief executive of Thomson Travel (of which Thomson Holidays and Britannia Airways are but part). If Goodman is known as a tactician, Davies is a strategist who had been plotting this blow, or something like it for years. Thomson has spent millions on computerisation which enables it to handle huge amounts of bookings without resort to the telephone on a scale its rivals simply cannot match. "We think we have a two years' lead, this was a good time to use that advantage."

Intasun, and almost everyone else in the trade, thinks Davies punched harder than was necessary. "If this had not happened I would have been expecting profits of £35m next year," says Harry Goodman ruefully. Mr Davies admits: "We thought they (Intasun) would still come in with cheaper prices than us. They are perceived in the market as being cheaper. If they lose that advantage, what have they got?"

Intasun has been trying to get retail support. Goodman persistently played to the retail gallery at Sorrento with accusations that Thomson had gone too far — "the same thing could have been achieved with prices 10 per cent higher" — and promises that, given a good flow of bookings, his own prices would rise in the New Year. With agents living on commission of 10 per cent that is the sort of comment they like to hear.

There has been much convoluted argument amid the thunderstorms and torrential rain of the Bay of Naples in November over whether business can be increased sufficiently in 1986 to compensate for the 20 per cent price cut. The arguments in favour are that, (A) many more people will travel and (B) those that do will trade up, not buying the same holiday for less money, but spending the same and getting a better holiday.

Against this suggestion is the view that whatever the demand, there simply are not enough aircraft around to offer the British many more holidays abroad. The package tour market of the UK is built around its charter jet fleet, and some Spanish aircraft. The number of seats available for package tours has fallen by around 5 or 6 per cent since last year.

> It is in the interests of all operators to generate public fears of a holiday shortage next year

Even assuming that this fleet was under-utilised during the past summer, the room for expansion is modest. Industry estimates suggest that a 10 and 20 per cent expansion is possible, which would mean 7m to 8m tours — one million more than this year.

A shortage of short-haul aircraft, especially of Boeing 737s, which are the bread and butter of charters, is a particular problem. "I have been scouring the world and I cannot find any," says Mr Goodman. "Even if you can find aircraft, which is doubtful, you do not have the time to train crews," says Dan Air, whose own charter fleet is of crucial importance to independent tour operators.

There is no doubt that if things continue on their present course most of any increase will flow to Thomson and Intasun, *although Horizon will almost* certainly stage a creditable recovery. The two majors have considerably increased their hold on the market but, as both are keen to point out, neither is in anything approaching a dominant position.

According to figures from Mr Ray Colegate, the Civil Aviation's Authority's economic guru, Thomson now holds 18.3 per cent of the air holiday licensed capacity for the coming year. This compares with 12.7 per cent four years ago. Intasun has 12.7 per cent, a considerable leap from the five per cent of a *four years ago.*

If one looks at the picture overall, however, very little has changed in the past few years, according to Mr Colegate, and this, he suggests, puts retailers' fears of domination by the majors into perspective. "The top 40 companies have around 75 per cent of the market, which has been true for the past ten years." At the moment, the top ten companies have a 56 per *cent share and the top five* 44 per cent.

Mr Goodman argues that this does not illustrate an industry which is being dominated, but one in which competition is alive and well.

But is it well enough to survive price cuts which are considerably greater than its average profit margin? There are many respected figures in the industry who say it is not. The managing director of British Airways Holidays (a division which includes the brand names Sovereign and Enterprise), Mr *Terry Grew, calls the Thomson* cuts "ridiculous" and reckons his own profits will be pared to the bone as he cuts prices to keep pace.

In launching his cut-price brochure, the managing director of Cosmos Tours talked of "potential instability in the holiday industry" and said: "This price war will cause most tour operators big problems in 1986."

Horizon, the third largest brand on offer, does not want to talk about profits at the moment, but is clearly determined to keep pace and, if necessary pay the price. "We have the financial muscle to stay in there, and we will," says Horizon's Mr Tanner. In Mr Tanner's view, Horizon is well placed to fight. It has a fleet of modern 737s at its command and, he says, £30m in the bank while Intasun, he alleges, is stretched, following its recent parental purchases, London hotels among them. "Everything has got to go right for them now," he says.

Not that Horizon is enjoying the battle entirely. As prices tumbled this week its managing director, Mr Dave Cockerton, *spoke of "silly" pricing on the* part of the two market leaders. "They are allowing the overseas holiday market to become a farce to satiate their quest for power."

There may be considerable sympathy and perhaps commercial help for the smaller and medium sized operators from travel industry suppliers—hoteliers and airlines. There has been much talk here of Spanish hoteliers being most unhappy with the prospect of two, or even three, UK tour operators being able to dictate prices. *Already, for example,* Intasun is said to supply more than half the British tourists that go to the Majorcan resort of *Magaluf.*

Retailers similarly do not want to be forced to deal with only a few major brands. *Independent retail champions,* like Mr Don Swinard and Mr Cliff Jones, both have considerable support for their attacks on the big suppliers. Swinard drew cheers when he virtually called for a boycott of Thomson and Intasun. "Who really has the *power?* You, the retailers do. You can switch off and switch someone on. Vote with your booking forms." Jones *complains of falling standards.* "Some people think they can pay these prices and still get waiter service and towels by the pool. I tell them those days are over. You get what you pay for. I would not be surprised to return to the time hotel dining rooms were divided into two, one side for the regular customers and one for British package tour customers, because the tour operators will not pay enough."

Retailers have problems of their own. In the past five years major retail chains have developed apace—Thomas Cook, Lunn Poly (a Thomson subsidiary), Pickfords, Hogg Robinson, W. H. Smith.

Ten years ago the top ten travel agency chains had 600 branches between them and 14 per cent of retail sales. Today the top ten, with slightly different names, have 2,000 branches and 40 per cent of sales. The top five have 37 per cent.

The amount of money left in the travel kitty for small retailers is very small. It is these small retailers who made up the *bulk of the audience in Sorrento.* No wonder they were not terribly impressed by Thomson talking of the market "*growing up*" and of Hogg Robinson suggesting that "there is money to be made in retailing." As far as they were concerned if the travel industry has become a circus, they are in danger of being the clowns.

Man in the News

Lord Rayner

Saint Michael's restless scrutineer

By Lisa Wood

LORD RAYNER, who made his name as the scrutineer of Mrs Thatcher's Whitehall, has demonstrated this week that the techniques which unnerved some of Britain's iciest mandarins have succeeded in revitalising his own company, Marks & Spencer, Britain's biggest retailer.

Lord Rayner became chairman of M & S 18 months ago when profits, although sound, were pedestrian. This week the company announced that its *pre-tax profits for the first six* months of its financial year were up 22 per cent, thus confounding City critics who had doubted Lord Rayner's ability to produce radical change at a company whose very name bespeaks the British retailing establishment. M & S with 54,000 employees and turnover of £3.2bn a year, may not be as big as Whitehall, but it is large enough to resist change.

"My job is to manage change," proclaimed Lord Rayner in succeeding Lord Sieff, the extrovert grandson of the founder, who enjoyed store visits, photo-calls and making speeches.

It is a change that has brought a whiff of Mrs Thatcher's Britain to M & S with a renewed emphasis on profit, competition and entrepreneurship. The first non-family chairman of M and S, the quietly spoken Lord Rayner has brought to the top of the company an odd mix of qualities. He has created a market research department in a *company that was formerly product-led* but he has also changed the company spirit. "He is bringing out the entrepreneurial in us, the competitive market stall spirit," said one M & S buyer.

Not that the cultured Lord Rayner, a 58 year-old bachelor who betrays nothing by listing his pastimes in Who's Who as travel, music and food, is not a stout defender of the M & S creed of quality and value for money. But his is also a mind which questions established practices and works critically. Lord Sieff was more instinctive, more emotional.

Lord Rayner was born in Norwich and educated at Selwyn College, Cambridge, where he read theology. He considered the ministry and had a brief flirtation with setting up his own business before joining M & S in 1953. After a short period in stores, he became a director in 1968, joint managing director in 1973 and joint *vice-chairman in 1982.*

But his years as a company man were interrupted in the 1970s by Mr Edward Heath, who as Prime Minister asked the then Mr Derek Rayner to join a team of businessmen to suggest improvements in the way Whitehall made its decisions.

In 1979, Mrs Thatcher invited him to advise Whitehall departments on how to eliminate waste. It was a post in which he created the famous "Rayner scrutinies," which sent teams of inquisitors into Government departments and racked up claimed potential savings of £275m a year. The secret was to use young, thrusting members of a flaccid department to produce sharp analyses of their own area's failures.

This insistence on personal accountability, was nonetheless felt by many to have started to fall on stony ground in Whitehall by the time Lord Rayner resigned to return full-time to M & S in 1983. At M & S, however, with the assistance of a new financial director Keith Oakes, who joined the company in early 1984 (and pioneered the in-house credit card, with 950,000 on issue, accounting for more than 8 per cent of M & S UK turnover), Lord Rayner seems to be perfecting this technique in dealing with the M & S bureaucracy.

He also, not many people realise, brings considerable marketing expertise. It was he, in the early 1970s, who pushed M & S overseas and developed its export trade.

Marketing, the new chairman has repeatedly told his board, is the key for M & S in the 1990s. It is a philosophy oddly alien to Britain's biggest retailer, which was imbued with the view that quality and value for money sold its foods, textiles and homeware products. As the old M & S joke said: "Good quality goods will sell arse up."

The fruits of this work are just beginning to emerge, nourished by a £480m refurbishment programme. *Whereas five* years ago, the M & S store was austerely grey and green, today its interior is more likely to be cast in mellow shades of browns, with splashes of pastel colours.

While stoically defending the unique relationship M & S has with its suppliers, Lord Rayner is in this way pointing out to them that M & S has to buy goods that stand the test of international competition. It is *pragmatic strategy* that can but stimulate certain suppliers who perhaps grew too dependent on a cosy relationship with M & S.

It is not just the suppliers which are coming under scrutiny. For the famous Whitehall exercises are now implanted at M & S with individuals sent on a one month's secondment to another department to ask the basic questions of Why, Why and Why again. Reporting is made direct to the chairman who then, if he considers it appropriate, sets his line managers into action.

Pushing down the responsibilities of line managers is also part of the Rayner style of management; individual buyers are increasingly *expected to take financial* responsibility.

There is still some way to go before the business settles down into the style — and profits — Lord Rayner wishes to see in the 1990s. And there are plenty of risks.

M & S is playing with one of the best-established identities in British business and could find itself vanishing into the anonymity of the country's increasingly identical high streets. Also, in the case for volume, Lord Rayner's M & S might find itself sacrificing some of the personal relation*ships and loyalties which were* the hallmark of Lord Sieff's days.

"Whereas Lord Sieff might have argued with a buyer whether or not a red belt went with a yellow dress, Lord Rayner's instinct is to leave that to the buyer. He just to know what volume we are doing," says one London-based buyer.

"It's a wind of change, *all right, but it's a warm wind* of change."

The bank that wants a million owners

Part of the TSB campaign, to be launched tomorrow

IF THE Trustee Savings Bank has its way, we should all be wearing bowler hats.

The pre-launch publicity for Britain's largest ever bank flotation gets into high gear tomorrow with the invitation to "own a bank." A media blitz in the Press and on TV will feature people from all walks of life: milkmen, charladies, fishermen and even toddlers in their prams, all wearing bowler hats and happy smiles. "Now it's your turn to Yes" will be the slogan—a twist of the TSB's usual "The Bank that likes to say Yes."

The flotation itself will not be until February. But as the City has learnt from the privatisation boom over the past three years, public interest needs to be aroused early, and then gradually brought to the boil in time for impact today.

News of the launch this week was marred from the TSB's point of view by a court action by depositors in Scotland to halt the sale of the Scottish part of the group on the grounds that it belongs to them. The TSB is playing down the significance of the move, but nobody likes a court case to rumble on in the background of a flotation.

The TSB's £5m campaign—devised by Dewe Rogerson, the advertising firm which handled last year's record-setting British Telecom flotation—is intended "to inform and not persuade" according to Mr Anthony Carlise, a director who is sensitive to the Stock Exchange's strictures against share-plugging.

But the aim is clear: to attract as wide a share ownership as possible in line with the TSB's grass roots image: ideally more than 1m investors who will stump up an expected £1bn for their shares. That is fewer than the 1.7m who bought shares in BT, Britain's most widely held company. But it would place the TSB a good second. (ICI, for comparison, has only 350,000 shareholders).

As with the BT issue, a huge effort is being put into getting the message across. A telephone hotline has been set up in Bristol to handle inquiries (0272 300 300). Anyone asking for information will automatically receive a prospectus nearer the time. The TSB's 1,600 branches will also answer questions, and a special share information office has been opened in London Wall Buildings in the City.

Lazard Brothers, the merchant bank, and Rowe & Pitman, the stockbrokers managing the issue, have appointed a network of 16 stockbroking firms in the major cities to spread the word.

By David Lascelles

Not that the TSB will have to hack its way through a thicket of ignorance. Its research reveals a high level of public awareness about the flotation: 28 per cent, according to a poll conducted last month.

Ironically, the TSB's toughest job may be to attract its own numerous (6m), but traditionally downmarket customers who have been allotted half the shares. According to Mr Bing, only a tiny proportion of them have ever dabbled on the stock market. But if only one in 10 were to apply, the TSB would have 600,000 shareholders before it even begins to tap the general and institutional market. To qualify for priority, though, customers must register in advance to prove they had accounts before December 17 last year, the cut-off date.

Although the City's judgment on the sale will depend on the fine print of the offer document and the price—neither of which will be available until shortly before the great day—most of the comment put out by analysts so far has been quite favourable. TSB's strong position in financial services—and the immense resources it will have after the flotation are big plus points.

Its main weakness is perceived to be inexperienced management, though Sir John Read, the chairman, is steadily hiring experienced bankers from rivals such as Barclays (the latest joined this week).

Nor is the TSB's profit performance for the year which ends on November 20, details of which will be released in the run-up to the flotation, likely to be sparkling. City analysts expect pre-tax earnings to be about £160m, little changed from last year's £157m, which in turn marked only the smallest improvement on £155m in 1983.

The Scottish court case is also a nagging concern to which the TSB has to respond, even if it has only an indirect bearing on the flotation.

The Scots are arguing that the TSB's assets belong to depositors and not — as Government decided a[illegible] taking legal advice — to [illegible] TSB itself. The litigants m[illegible]tain that the proceeds of flotation should be distribu[illegible] to the depositors rather [illegible] retained within the bank.

However, since the ow[illegible]ship of the TSB has alre[illegible] been settled by the Act [illegible] Parliament authorising the [illegible]tation, the most the Scott[illegible] depositors can hope for [illegible] compensation for being wro[illegible]fully deprived of their righ[illegible]. They could not have the flo[illegible]tion reversed, so there is [illegible] risk that investors buying T[illegible] shares will have to hand th[illegible] back at a later date.

The compensation — wh[illegible] might be ordered by the Eu[illegible]pean Court of Human Rig[illegible] if the depositors press th[illegible] case that far — would have [illegible] be paid by the government [illegible] the day. The sum would [illegible] about £800m, the expect[illegible] worth of the TSB's net ass[illegible] at flotation.

Otello, the Garden and the price of fame

THIS WEEKEND Sir John Tooley, general director of the Royal Opera House, Covent Garden, should hear from the Spanish tenor Placido Domingo whether he will appear, as contracted, in the title role of Covent Garden's new production of Otello, which is planned to open on January 9.

Domingo was brought up in Mexico. Some of his closest relatives were killed in the Mexico earthquake and he announced last month that he would withdraw from appearances in opera houses for a year to devote himself to charity concerts so as to raise money for the earthquake victims.

This placed Covent Garden in a dreadful dilemma. Otello is its most important new production of the season. It is costing around £275,000 to mount and has been graced with an impressive cast—as well as Domingo, Kiri te Kanawa is to play Desdemona and Renato Bruson, Iago. The conductor is Carlos Kleiber, the producer Sir Peter Hall, returning to the Royal Opera House after a 14-year absence.

On the strength of this assembly of talent, Covent Garden felt justified in copying a continental practice and making all six performances "galas," doubling the price of the best seat to £75 and thus raising an extra £150,000 for its hard-pressed revenue. With this manoeuvre, it hoped to delay a general ticket price increase from January to April.

Without Domingo it is Otello without the Moor. Along with arch-rival Pavarotti, they are the great tenors of their generation and guaranteed box-office draws. Not only would it be difficult for Covent Garden to justify a price premium for Otello minus Domingo, it would also be almost impossible to find a good replacement singer: Otello is one of the most demanding roles in the repertoire.

Like most singers Domingo is fond of Covent Garden and negotiations continue in the hope of sharing the benefits of the galas between the destitute of Mexico and the Royal Opera House.

It might seem surprising that Covent Garden is in a state of almost permanent financial crisis, since it is the No 1 client of the Arts Council, receiving £12.6m in aid this year. Last season it attracted its highest audiences for years, its 148 opera performances playing to 92 per cent capacity, and its 119 ballet shows to 88 per cent. Last month it announced a £1m donation from Mrs Jean Sainsbury, a satisfied customer of many years.

And yet last Monday Sir Claus Moser, the opera house's chairman, painted a most depressing financial picture. This year there would be a shortfall of £700,000, mainly because the Arts Council grant for 1985-86 had been raised only by 1.9 per cent. Unless there was a substantial increase in aid for 1986-87 — to £13.9m — there would have to be drastic economies, reducing the number of performances from 500 to 300 a year, with consequent substantial job losses among the 1,000 employees.

Like all subsidised arts organisations, Covent Garden is suffering from a succession of annual grant increases at less than the Retail Price Index. But it feels more slighted than most after emerging relatively unscathed from the 1983 Priestley report, a scrutiny commissioned by the Minister of the Arts into every aspect of its operations.

In return for various economies, mainly in stage crew practices, designed to save £500,000, Priestley recommended that Covent Garden should receive three years of higher subsidy. It has now managed to achieve savings worth £400,000, but the extra cash was paid only for one year.

Covent Garden does not feel that it can make any more "candle end" economies and insists that, compared to its main rivals among the world's opera houses, it is cheap on the public purse. La Scala Milan, Paris Opera, Deutsche Oper Berlin and Staatsoper Vienna get 80 per cent or more of their income from government funds; Covent Garden receives less than 50 per cent.

It cannot squeeze much extra from box office revenue—its seat prices, which range up to £37, attract enough criticism already. It is also finding it harder to raise income from commercial sponsors and has been forced to lower its sights this year from £1.2m to £950,000. If it is to maintain its current level of activity the house must have more Government aid or, alternatively, the Government must stimulate, by tax concessions, more public and private donations.

By Antony Thorncroft

While it waits to hear the size of its 1986-87 grant, the Royal Opera House carries on planning up to 1990. A new production, with top singers, takes four years to prepare, and new productions are increasingly the yardstick by which an international opera house is judged. This helps to explain the sensitivity with which Sir John reacts to criticism that his productions are too extravagant.

When all the bills are in, Otello will cost £250,000 to £300,000. Its scenery is comparatively simple and inexpensive; its costumes lavish and costly. It is much better, the opera house feels, to use top quality costumes, wigs, sets and props from the start because this Otello should remain in the repertoire for over 20 years (its predecessor notched up 32 years) and constant patching and repairing later is much more expensive.

For example, last season Covent Garden launched its new production of The Nutcracker. It cost an unprecedented £296,000, yet much of this went on future "economies." For instance, the costume department made 13 outfits for six boy dangers. They are in varying sizes and with luck should fit the 24 boys who might dance the role over the next four revivals, stretching years ahead. By going for quality 90 per cent of the costumes can survive, with some nipping and tucking, the average 25-year life of a production.

Considering its importance for the future, and compared with new productions in rival opera houses, Otello is not expensive. The Met regularly invests over $1m in major new works while Paris Opera's recent production of Robert-le-diable by Meyerbeer was reported to have cost £600,000. La Scala Milan, when giving Zeffirelli his head, anticipates a budget in excess of £500,000.

Otello is likely to be performed six times a year, on average, for the next generation. It should pay its way in time. Of course, the fees of principals are on top. Domingo could expect to earn approaching £20,000 a performance in New York. For Covent Garden he would probably pitch his fee at nearer £15,000, and if there is a package of performances, conveniently close to each other, the average might be £10,000. Dame Kiri is probably paid nearer £7,000 a performance, although, to prevent top singers playing off one opera house against the other, the size of fees is shrouded in mystery.

New productions do not have to be expensive to succeed. Sir John talks nostalgically of the Peter Grimes be mounted for £22,000 by challenging the designer with such a low budget. Stockhausen's Donnerstag aus Licht which opened the current season, cost only £110,000, thanks to some simple costumes. But lavish new productions are what the operagoer too often expects. And the sponsor: Otello is being supported by Midland Bank, probably with a £100,000 commitment.

The opera house has been forced to reduce its new opera productions in some seasons to no more than four. It has experimented with joint productions—last year's Samson was shared with New York and Chicago, which reduced its cost by £74,000. It also rents out its productions to other opera houses—La Scala is taking its I Capuleti. It does not feel that there is room for more savings here—or indeed in any other aspect of its operations.

Unless it gets a substantial rise in subsidy next season the years of crying "wolf" will be over and there may be cancellations. On past experience the Government, through the Arts Council, will give Covent Garden just enough to keep it in business, but not enough to allow it to stop worrying about where the money is to come from. However, those who run Covent Garden would like to fix there full attention on raising the level of performance of opera and ballet and taking it to a wider market.


Placido Domingo as Otello

Letters to the Editor

Theoretical fantasy

From the Director of Studies, Trade Policy Research Centre

Sir,—"Neither economic theory nor empirical observation give any grounds for believing that markets can or do make efficient allocations where future — especially distant future—decisions are involved." From this statement Mr Smith (October 22) of the University of Keele appears to draw the conclusion that we need a "governmental or non-governmental co-ordinating institution" since "a price- and market-led adjustment" to the decline of oil revenue will not occur. (Mr Smith's "non-governmental" is a bit puzzling. Perhaps Mr Smith has the commercial banks of West Germany in mind as a model, but they are, of course, part of the despised market.)

How does Mr Smith reach his conclusion? The unstated argument appears to go as follows: in order to prove the economic optimality of competitive general equilibrium, one needs to assume a full range of contingent and future markets. A full range of such markets does not exist. Consequently, the actual equilibrium is not optimal. Centralised co-ordinating agencies might, therefore, improve on the market. The actions of the Japanese and other governments are generally held to improve on the workings of the market. Accordingly, co-ordinating action by the British Government would improve on the market.

When stated in the above way, the argument looks a little silly. A sensible person and especially one aware of recent analysis of self-interested behaviour by politicians and bureaucrats, would conclude that we are forced to choose between two imperfect mechanisms, judged at least from the perspective of the theoretical ideal. Utopia is not an option, even for welfare economists. What then do we know, both in theory and practice, about these alternative mechanisms?

One point is that theory does indeed give some grounds for supposing that markets would take account of actions affecting the future. The capital market embodies the best available guesses of what the future consequences of present actions will be. If firms can persuade potential shareholders that present costs will reap future benefits—when the oil runs out, for example—their current market valuation will reflect this. The capital market is an imperfect mechanism, but it is wrong to assert that it does not exist.

Turn, then, to the governmental alternative. There is as much of a future market in it, is there? Indeed, it is less obvious that there is any way that politicians can benefit now from actions which will bear fruit only in the rather long term. Actions which will benefit somebody right now are quite a different matter and that is, of course, why those are the sorts of actions usually recommended. Are bureaucrats any different? Do they really have any interest in actions which will bring benefit long after they have left their jobs? It would appear that Mr Smith must rely on the altruism of politicians and bureaucrats.

Mr Smith must also assert that the political mechanism can obtain the information not only that manufacturing should expand at some future date, but—far more difficult—which segments should expand and what they should produce to meet what demand. In the light of rather long experience of the capacity of the British political system to make these sorts of choices, Mr Smith's apparent faith is on the lines of *credo quia absurdum*.

Even in the case of Japan, however, the significance of MITI's role is questionable. Looking at the world as a whole, it would be easier to argue that attempts at governmental co-ordination are associated with disaster rather than success. Governments are rarely interested in economic efficiency and they almost never admit their mistakes.

In short, Mr Smith has given a superb demonstration of why much of what now passes among economists for thought on economic policy is simply an exercise in theoretical fantasy.

Martin Wolf.
1, Gough Square, EC4.

World chess politics

From Mr Raymond Keene

Sir,—Mr Sparkes (October 26) has utterly missed the point concerning my remark that Karpov is the most insulated world champion in chess history. The evidence is clear and as follows:

No previous world championship match had ever been stopped—without result—the instant the world champion started to lose games. But this happened on February 15 last when Florencio Campomanes of the Philippines, the World Chess Federation president, halted proceedings after Karpov had lost two games in a row.

Karpov now retains the title if the current match in Moscow is drawn and he has the right to a revenge match if he loses. Precedents exist for both of these.

What is truly exceptional is that the revenge match clause has been abolished for the future if Karpov's opponent, Kasparov, should win this time and also survive the revenge match. No previous champion has defended his title on such unequal terms.

Raymond Keene,
British Chess Federation.
9a Grand Parade,
St Leonards-on-Sea,
Sussex.

Economic policy

From Mr D. Jones

Sir,—Malcolm Rutherford's article on Nigel Lawson and Government economic policy (October 25) as an interesting presentation of the claims that the Government intends to make about its policy. He did not however balance these claims with some of the facts of the situation.

On controlling public expenditure, the Government's latest plans contained in the public expenditure White Paper, budget for an £8bn increase in real terms between the last year of Labour office and 1987-88. As a proportion of GDP public expenditure was 39.5 per cent in Labour's last year compared to 42½ per cent in 1984-85. If the Government hits its expenditure targets, public spending will only return to its 1978-79 proportion of GDP in 1987-88. We must however be sceptical about the Government's ability to hit its public expenditure targets. Over the past four years the public expenditure projection for three years later has been missed by an average of £2.3bn per year.

Looking behind these figures we find that public expenditure "control" has been achieved through the device of privatisation, the proceeds of which count as negative public spending. In 1984-85 these amounted to over £5bn and since the Tories came to power have totalled over £17bn. With the pending privatisation of British Gas we can expect the privatisation proceeds to continue at 1984-85 levels.

When the availability of assets to privatise runs out, the full folly of the Government's approach to public expenditure "control" will be revealed. Both the income from the privatised assets and the income from the sale of those assets will have to be replaced. This means public expenditure cuts, higher taxes or higher borrowing. The Government should tell us which it has in mind. Added to the question "What happens when the privatisation proceeds run out?" is the question "What happens when North Sea oil runs out?" Together privatisation proceeds and North Sea oil income to the Treasury amounted to £17.5bn last year. Eventually these will have to be replaced. Far from "controlling" public expenditure the Government is avoiding the real issues and failing to plan ahead.

On tax cuts, again the Government has increased taxes as a proportion of GDP, and, in total, the annual tax bill has increased by £29bn in real terms. In 1988 the vast majority of people will still be paying more taxes and national insurance than they did in 1978 despite the temporary bonus of tax cuts financed by assets sales. So far only the top 5 per cent of taxpayers have received tax cuts — currently worth £3bn per annum.

Even on inflation the Government's record is not sparkling. In 1978 UK inflation was around the international average. This year it has been above that average.

Finally, the last area of the Government's claimed "success" — curbing union power. As Malcolm Rutherford correctly point out, this has relied heavily on its failure in another area — unemployment.

Doug Jones,
(Economic assistant to Roy Hattersley, MP),
House of Commons, SW1.

Export credits guarantee

From Mr B. Strand

Sir,—The Minister for Trade announced (October 25) his decision to cancel the comprehensive bankers' guarantee scheme for exporters on the grounds that it does not fulfill its original purpose, it loses money and demand for it has fallen. He states that banks and other sources are well able to provide alternative forms of finance.

No figures have been published to justify in detail how the losses arise and this action demonstrates how politicians' rhetoric on support for small exporters etc conflicts with their decisions. As a user for some 20 years this scheme is the single most important export aid that government has made to smaller exporters over the past 25 years. It certainly does continue to meet its original purposes as it forms an integral part of our basket of borrowing which also includes shareholders' fund, overdrafts, medium-term loans and HP finance.

No realistic alternative facilities exist outside of the Export Credits Guarantee Department. The banks would only provide a facility against bills and not against open account exports, thereby excluding significant markets. Provision of finance from other private market sources will encounter difficulties from the bankers in regard to waivers against floating charges securing overdrafts.

B. G. Strand,
Thomas Mercer Ltd.,
Eywood Road,
St Albans, Herts.

Self respecting employment

From Dr Mitchell

Sir,—Is the employer/employee relationship a continuation of the lord/surf and master/slave relationship, especially since employers have been required to patronise their employees by becoming their tax collectors, insurance agents, and health and safety officers? If so, why do we not all become self employed, and work together by mutually agreed contracts in trade and service associations? Perhaps it is relevant that Socrates did not say "know thy Lord." He said "know thyself."

Dr Peter Mitchell
(Resident Director of Research),
Glynn Research Institute,
Bodmin, Cornwall.

Different museums

From the Director, British Museum (Natural History)

Sir,—In your report by James McDonald on heritage and leisure attractions (October 23) you refer to the Natural History Museum (South Kensington) as an annexe of the British Museum (Bloomsbury). This is out of date.

The British Museum and the British Museum (Natural History) — popularly known as the Natural History Museum—are separate organisations, each with its own board of trustees, and have been since 1963 although they share a common origin in the collections of Sir Hans Sloane (1660-1753).

In April of this year the Natural History Museum, which also administers the Zoological Museum, Tring in Hertfordshire, assumed responsibility for the Geological Museum, its neighbour in Exhibition Road. Together these three museums constituting the British Museum (Natural History) attracted over 3m visitors in 1984.

R. S. Hedley.
Cromwell Road, SW7.

BUILDING SOCIETY RATES

	Share	Sub'pn	Other
Abbey National	7.00	8.00	8.75/9.00/9.25/9.50 Five Star acc.—instant access/no penalty 9.50 Higher interest account 90 days' notice or charge 5.50/8.81 Cheque-Save 9.05/9.50 "City" Cheque-Save
Aid to Thrift	*9.20	—	— * Easy withdrawal, no penalty
Alliance and Leicester	7.00	8.00	9.75 Premium Plus min. £500, immediate withdrawal (penalty if balance left is under £10,000) interest annually/mthly. 8.75 Banksave Plus balance £2,500+, 7.75 under £2,500 current account minimum initial investment £500 8.75 Gold Plus, minimum £500, immediate withdrawal, interest annually or monthly
Anglia	7.00	8.00	9.25 Capital share 30 £500+ 30 days' notice/penalty 9.50 Capital share 90 £500+ 90 days' notice/penalty 9.75 Capital plus £10,000+ 60 days' notice/penalty ann. int.
Barnsley	7.00	9.00	9.95 Summit account — £1,000+ — 3 months' notice 8.85 Special invest. (28 days' notice) 8.85 monthly inc. a/c
Bradford and Bingley	7.00	8.00	9.50 No notice no penalty on up to 2 withdrawals per annum 9.75 3 months' notice without penalty
Bristol and West	7.00	8.00	8.75 Plus account £1,000+. No notice. No penalty 9.56 £10,000+, 9.30 £5,000+, 9.05 £1,000 7-day notice Triple Bonus. Also monthly income 9.75 Special 3-month account, £5,000+, 3 months' notice
Britannia	7.00	8.00	9.50 60 days' notice
Cardiff	8.50	8.60	9.80 90 days' notice or penalty if balance under £10,000
Catholic	7.30	8.30	10.00 £2,000+ Jubilee Bond. Monthly income. 90 days' notice
Century (Edinburgh)	8.85	—	9.30 Guaranteed rate 2/3 years (or variable account)
Chelsea	7.00	8.00	9.85 Immediate withdrawal interest pen. or 3 months' notice
Cheltenham and Gloucester	—	8.00	9.50 Cheltenham Gold. No notice. No penalties £5,000+ 9.50, £500-£4,999 9.00, under £500 7.00. Monthly income avail.
Cheshunt	7.00	8.50	9.75 £20,000-£250,000, 9.25 £1,000-£19,999 inst. acc. no pen.
City of London (The)	7.25	8.75	9.60 3 months' notice—no penalty—monthly income 9.00 7 days' notice, immed. access for amounts over £2,000
Coventry	7.00	8.25	9.85 3-year bond £1,000+, close 90 days' notice and penalty, monthly income option, guaranteed 2.85 differential 9.55 Moneymaker £10,000+, 9.30 £5,000+, 9.00 £1,000+, instant access no penalty, monthly income option
Derbyshire	7.00	8.25	9.75 3 months' notice. Up to 9.50 no not./pen. monthly int.
Frome Selwood	8.25	10.50	10.30 Somerset super plus £10,000 minimum. Monthly income
Gateway	7.00	8.00	9.55 Gold Star £10,000+. No notice. No penalties. 9.30 £5,000+, 9.00 £1,000+ monthly interest available
Greenwich	7.00	—	9.75 60-day account (no notice account 8.75-9.25)
Guardian	7.65	—	10.00 6 months' notice £1,000 min. access to bal. £10,000+
Halifax	7.00	8.00	9.50/9.00/8.50/8.00 Instant xtra (minimum £500) 9.50 90-day xtra. 90 days' notice/no penalty (minimum £500) 9.00 Cardcash (£2,000+), 7.00 (£1-£1,999)
Heart of England	7.00	8.25	9.80 and 9.55 High interest. 8.50 Gold Key
Hemel Hempstead	7.00	8.50	10.00 90 days, 9.00 60 days, 8.75 28 days
Hendon	8.00	—	9.00 7-day account. Minimum £500 3-month 9.75
Hinckley and Rugby	7.00	9.80	10.00 £20,000 High Rise wdl. no pen. Rate varies with balance
Lambeth	7.15	8.25	10.00 Und. £10K. 10.25 ov. £10K mag. a/c 6 w. + loss of int.
Leamington Spa	7.10	—	9.25 £20,000 min. Spa In. mly. no not./pen., 8.75 £5,000 min. 9.50 High flyer—no notice/no penalty £10,000 minimum 9.25 High flyer—£5,000 minimum, 9.00 £500 minimum 10.15 Super share no not., 14 days' penalty £20,000 minimum 9.85 Super share £5,000 minimum, 9.25 £2,000 minimum
Leeds and Holbeck	7.00	8.75	9.75 Monthly interest. 9.25 28 days' notice, 9.55 60 days' notice or penalty, neither if £10,000 still in account
Leeds Permanent	7.00	8.00	9.50 HRAS 3 months' notice. Liquid Gold 9.00 £500+, 9.25 £5,000+, 9.50 £10,000+. No penalty/no notice
London Permanent	7.75	—	9.00 28 days' notice or immed. wdl. no pen. if bal. £5,000+
Midshires	7.00	—	9.25 £500+ inst. acc./no pen. £100-£499 7 days' notice 9.50 3-yr. term. 2.50 gtd. £500/£1,000 M.I. 3 mths.' not./pen.
Mornington	9.10	—	9.10 £2K, 9.25 £2K+, 9.35 £10K+, 9.50 £20K+
National Counties	‡7.30	8.55	9.80 90 days' notice, no penalty £10,000+. ‡ £1,000
National and Provincial	7.00	8.00	9.50 APEX 3rd iss. (+2.50 gtd. 3 yrs.) 60-day notice/penalty 9.50 Special share 60-day notice/penalty unless £10,000+ 9.50 Money man. £5,000+. No notice, no penalty
Nationwide	7.00	—	9.00 Flexaccount cashlink £2,000+, 7.25 £25-£1,999 9.50 Bonus Builder £10,000+, 9.25 £5,000+, 9.00 £2,000+, 8.75 £500+, 8.00 £100+, no notice, no penalty 9.50 Capital Bonds 3 yrs., 2.5 gtd. diff. 90 days' not./pen.
Newcastle	7.00	8.25	9.50 Plus bonus. Two-year term. 9.00 28 days' notice, 8.75 7 days' notice. On demand by arrangement
Northern Rock	7.00	8.25	9.55 Moneyspinner plus £10,000 or more 9.30 Moneyspinner plus £5,000 or more 9.05 Moneyspinner plus £500 or more
Norwich	7.00	8.25	8.75 7-day/monthly income option/9.00 on £10,000+
Peckham	7.65	—	8.65/9.75 Immediate withdrwl. if over £2,000. Monthly income
Peterborough	7.00	8.30	9.75 Premium share penalty. Free access (8.95 under £10,000)
Portman	7.00	9.25	9.90 Gold seal. Min. £1,000. 1-yr. term then 3 months' notice 9.00 Flexi-plus. Minimum £500 no notice immediate withdwl.
Portsmouth	7.15	8.65	10.00 3-year, 9.80 90-day, 9.15 30-day, 8.70 7-day
Property Owners	7.50	9.00	10.25 £10,000. 90 days' not./pen. Up to 10.00 instant access
Regency	7.00	—	8.75 7 days, 9.10 1 month, 9.25 2 months, 8.90 3 months
Scarborough	7.00	8.25	9.15-9.55 over 55s no notice/penalty MI minimum £2,000
Skipton	7.00	8.25	9.85 Sovereign £5,000+, 9.35 £500-£4,999 monthly income 9.35 minimum investment £2,500 instant access no pen.
Stroud	7.00	8.25	10.25 2 years, 10.00, 9.75, 9.50, instant or notice
Sussex County	7.00	8.50	9.75 90 days, 9.50 monthly income, 9.25 instant access
Thrift	9.20	—	10.20 3-year term. Other accounts available
Town and Country	7.00	—	9.75 2-year term £10,000+, 9.50 £500-£9,999 wdrwl. available 9.80-6.75 Moneywise cheque/Visa. Interest varies with bal. 9.75 Super 60 ½-yearly interest £500, wdl. avail., mthly. inc.
Wessex	9.10	—	— No notice—no penalties—minimum £1
Woolwich	7.00	—	9.00 Prime £500+, 9.25 £5,000+, 9.50 £10,000+, no nt. no p. 9.50 Capital, 90 days' notice/penalty. Minimum £500
Yorkshire	7.00	8.00	9.90 Plat. key £10,000+ wdl. no pen. —£10,000 60 d. nt./pn. 9.50 Classic Key Monthly income

All these per cent rates are after basic rate tax liability has been settled on behalf of the investor

UK COMPANY NEWS

Molins £50m management buy-out

BY CHARLES BATCHELOR

THE MANAGEMENT of Molins, one of the world's leading makers of cigarette manufacturing machinery, is to go ahead with a £49.5m management buy-out of its company with the backing of a group of City institutions.

This is the first time that a management buy-out has been attempted of a quoted British company not already subject to hostile takeover bid.

Since first announcing its buy-out plan seven weeks ago Molins' management, headed by Mr Christopher Ross, the managing director, has finalised the financing of the deal and obtained the approval of the company's independent directors for the plan.

It still requires the approval of Molins shareholders and of the High Court, however.

The Molins' management and its financial backers will offer 170p cash for each ordinary share and 97p cash for each preference share.

The offer was 5p above Molins' ordinary share price yesterday. The Molins shares rose to 168p immediately after the plan was announced in September, but fell back quickly when the market absorbed the fact that the management planned to offer no more than 170p per share for the company.

Molins has been under strong pressure in its world markets in recent years from German and Italian competition. It has closed production plant and made nearly 1,000 of its 3,750 strong workforce redundant over the past 18 months.

There has also been an increasing uncertainty about the 29.9 per cent stake in its equity held by BAT Industries, the tobacco-based conglomerate. BAT has denied any immediate disposal plans but potential uncertainty over this holding was starting to worry Molins. BAT backs the buy-out plan.

Molins expects pre-tax profits to improve to £8m in 1985 from £6m last year, reversing the recent profits decline, but this reflects recent cost-cutting measures and a slight improvement at its US corrugated board subsidiary Langston.

Trading conditions in 1986 are unlikely to be materially better than in 1985, given the depressed demand for tobacco machinery and the tough competition.

A review of Molins UK pension fund has revealed a £20m surplus which the company hopes to use for a four-year halt to contributions and improved benefits for employees. It will contribute about £850,000 to its pension fund this year.

Telemetrix shares tumble

A GLOOMY chairman's statement on prospects for the first half of the current year yesterday wiped a quarter off the value of Telemetrix, a designer of computer graphics display terminals.

Telemetrix shares fell 53p to 150p, a new 1985 low, to leave the company with a market capitalisation of £30m compared with a high of £80m earlier this year.

Mr Roy Cole, Telemetrix chairman, told shareholders yesterday: "Our bookings in September and October have increased but more slowly than anticipated. As a result the first half performance will be substantially down on that of the corresponding period last year.

"I am, therefore, disappointed to say that it will be difficult to make up the shortfall in time to achieve a satisfactory performance for the year as a whole. However, I remain very confident of the medium and long term prospects for the group."

On September 18, Telemetrix announced an 89 per cent increase in pre-tax profits to £4.74m in the year ended July 1985 from £2.51m the year before. Turnover almost doubled from £10.26m to £20.18m.

Telemetrix went public in October 1983, but failed to meet its listing forecast for the year ended July 1984 of £3.2m.

GREAT UNIVERSAL Stores' results for the first five months of the current year show an improvement in pre-tax profit and earnings per stock unit compared with the same period last year, says Sir Isaac Wolfson, the chairman, in the annual report.

Continental Trust faces SA bid

BY CHARLES BATCHELOR

A TAKEOVER battle may be in the offing between Continental and Industrial Trust, a £130m UK investment trust, and Liberty Life Association of Africa, the South African life assurance company.

Continental yesterday put out a statement to its shareholders effectively warning them not to dispose of their shares at present stock market level because Liberty had paid a much higher price in recent months. Continental's shares rose 17p to 642p yesterday.

If Liberty does launch a bid it would have to pitch its offer at at least the highest level at which it had bought Continental shares in the previous 12 months.

Liberty was recently involved in a contested takeover bid for Capital and Counties, a British property group. It won control of Capital in July by means of an offer made through its 75 per cent-owned UK subsidiary TransAtlantic Insurance Holdings, which valued Capital at £173m.

Yesterday's announcement from Continental was triggered by the disclosure on Thursday that Liberty, TransAtlantic and another Liberty subsidiary, Conduit Insurance Holdings, had increased their holding to 25.03 per cent.

Continental revealed in its 1984/85 annual report published in July that Liberty Holdings, Liberty Life's parent company, held a 23.2 per cent stake in its ordinary capital.

Continental said yesterday that it believed the Liberty holding had been acquired over the previous 12 months at varying prices but the largest single purchase was of 1.33m shares in March at about 683p per share. This was probably the highest price Liberty paid and would value Continental at £115.7m.

Continental increased its revenue to £6.05m in the year ended May 1985, from £5.34m the year before. Earnings per share rose from 17.71p to 20.92p.

Continental is managed by J. Henry Schroder Wagg, the merchant bank. Its financial adviser is Kleinwort, Benson.

Liberty Life is South Africa's third largest life assurer with net assets of R4.22bn at the end of 1984.

L & G's deposit-taking facility

Legal & General Group, Britain's second largest life assurance group, has been granted a licence by the Bank of England to provide deposit-taking facilities.

However, the group emphasises that even though it has now become a licensed deposit taker, it does not have any plans for a full blown banking operation.

A new subsidiary has been formed — Legal & General (Money Managers) to provide a deposit service for existing policyholders. Details of a high interest deposit account will be announced early next week.

Allied Dunbar, formerly Hambro Life, broke new ground some three years ago when it took over a banking operation. This was used as one arm in the group's integrated financial service operation aimed at providing clients with the facilities for a complete financial service.

But so far only one or two insurance groups have followed this lead, though several groups openly admit to studying the situation closely.

Legal and General does have cash funds within its linked life operations, but these are technically insurance funds and as such do not need a licence to provide deposit-facilities.

The new facility will be linked up with L & G's unit trust operations. The format of the new product due next week and the marketing aim should show whether the group is setting up a quasi savings bank operation.

The company as yet does not intend to off ring currency funds.

L & G's share price lost 2p up at 707p — though it seems that no official announcement of this development was given to the market directly.

Solicitors Law

A STRONG recovery has been shown by Solicitors' Law Stationery Society in the half year ended June 30 1985, with pre-tax profits moving ahead from £102,000 to £626,000. The directors are confident that this recovery will continue.

The group is engaged in the provision of office supplies and services mainly to the legal profession, and printing. In the middle of 1985 it was acquired by Rollis Bros. & E.S.A., which is 74 per cent owned by Mr Robert Maxwell's Pergamon Press.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Nov 1 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Thurs Oct 31 Index No.	Wed Oct 30 Index No.	Tues Oct 29 Index No.	Year ago (approx.) Index No.	1985 High		1985 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (206)	557.56	−0.1	10.32	4.08	12.16	13.81	558.05	559.14	555.24	543.24	577.15	22/1	483.38	25/7	577.15	22/1/85	58.71	13/12/74
2	Building Materials (22)	626.25	−0.3	10.48	4.29	11.88	15.38	628.02	626.04	626.22	494.25	628.02	31/10	472.11	26/2	628.02	31/10/85	44.27	11/12/74
3	Contracting, Construction (28)	959.24	−0.4	10.15	4.43	12.69	25.93	963.00	963.49	962.55	703.17	963.49	30/10	684.17	8/3	963.49	30/10/85	71.48	2/12/74
4	Electricals (13)	1557.63	−0.3	10.38	4.84	12.28	49.94	1562.39	1565.33	1532.23	1578.75	1701.64	22/1	1289.36	10/7	1909.93	3/6/83	84.71	25/6/62
5	Electronics (39)	1282.01	−0.8	11.86	3.53	11.13	30.72	1292.06	1302.56	1290.91	1997.72	1977.60	9/1	1229.01	8/10	2009.85	13/11/84	1229.01	8/10/85
6	Mechanical Engineering (61)	326.51	+0.4	10.40	4.41	11.66	8.19	325.15	323.87	320.80	260.36	326.51	1/11	263.85	25/7	326.51	1/11/85	45.43	5/1/75
8	Metals and Metal Forming (7)	231.38	+0.2	11.31	6.91	10.97	5.98	230.81	230.47	226.58	170.69	231.38	1/11	165.08	14/1	231.38	1/11/85	49.65	6/1/75
9	Motors (16)	194.30	−0.2	11.90	4.39	10.20	4.93	194.71	192.50	190.71	136.09	194.71	31/10	142.57	3/1	194.71	31/10/85	19.91	6/1/75
10	Other Industrial Materials (20)	1022.37	+0.7	7.33	3.53	16.36	23.48	1014.84	1025.02	1018.49	745.53	1025.02	30/10	828.60	3/1	1025.02	30/10/85	277.55	15/1/81
21	CONSUMER GROUP (177)	750.37	+0.6	8.59	3.58	14.58	14.71	745.58	739.99	735.73	572.62	750.37	1/11	604.96	3/1	750.37	1/11/85	61.41	13/12/74
22	Brewers and Distillers (23)	781.02	+0.7	8.82	3.70	14.40	13.92	775.26	771.65	764.11	540.28	781.02	1/11	558.86	3/1	781.02	1/11/85	69.47	13/12/74
25	Food Manufacturing (22)	548.32	+0.8	10.78	4.47	11.96	13.66	544.01	544.67	545.02	450.88	548.32	1/11	471.62	25/7	548.32	1/11/85	59.67	11/12/74
26	Food Retailing (14)	1688.30	+1.1	5.88	2.49	22.99	23.30	1670.59	1677.46	1669.56	1377.43	1711.59	24/10	1400.34	1/3	1711.59	24/10/85	54.25	11/12/74
27	Health and Household Products (9)	1176.18	+0.6	6.44	2.78	18.10	11.95	1169.16	1138.29	1119.97	960.41	1176.18	1/11	980.65	11/4	1176.18	1/11/85	175.38	28/5/80
29	Leisure (23)	733.31	+1.0	7.85	4.54	16.72	23.43	725.86	727.93	723.44	621.73	733.31	1/11	598.69	12/7	733.31	1/11/85	54.83	9/1/75
32	Newspapers, Publishing (12)	1924.08	+1.1	7.98	4.67	16.14	51.02	1903.96	1905.78	1904.93	1327.19	1924.08	1/11	1445.15	3/1	1924.08	1/11/85	55.08	6/1/75
33	Packaging and Paper (13)	373.48	−0.1	9.71	4.17	12.30	8.18	373.98	373.19	371.11	262.18	377.13	9/9	286.36	3/1	377.13	9/9/85	43.46	6/1/75
34	Stores (42)	783.94	+0.6	6.70	2.75	20.27	12.16	778.92	769.26	765.22	508.21	783.94	1/11	529.47	19/2	783.94	1/11/85	52.63	6/1/75
35	Textiles (16)	355.05	—	12.23	4.71	9.31	8.38	355.21	353.59	351.06	295.17	355.21	31/10	293.07	3/1	355.21	31/10/85	62.66	11/12/74
36	Tobaccos (3)	792.52	−0.1	17.00	5.67	6.70	30.77	793.51	788.44	794.19	761.93	1010.69	8/2	714.72	26/9	1010.69	8/2/85	94.34	13/6/62
41	OTHER GROUPS (99)	708.32	+0.6	9.03	4.03	14.33	15.37	704.43	704.02	698.13	498.58	722.57	15/5	605.99	3/1	722.57	15/5/85	58.63	6/1/75
42	Chemicals (19)	697.85	+2.7	14.11	5.45	9.37	26.19	679.46	677.05	675.16	677.18	832.26	22/2	645.96	26/9	832.26	22/2/85	71.20	1/12/74
44	Office Equipment (4)	222.62	+0.6	7.15	3.93	16.67	6.28	221.27	223.22	220.65	138.78	223.22	30/10	154.76	3/1	246.06	1/9/72	45.34	2/1/75
45	Shipping and Transport (11)	1348.62	−0.7	7.30	4.03	16.79	36.20	1358.86	1378.83	1378.60	877.57	1378.83	30/10	958.08	3/1	1378.83	30/10/85	90.80	29/6/62
46	Miscellaneous (63)	890.39	+0.3	7.25	3.65	16.95	15.64	887.97	882.32	871.21	693.11	899.77	3/6	787.88	26/7	899.77	3/6/85	60.39	6/7/75
48	Telephone Networks (2)	886.34	—	8.39	3.66	15.90	14.38	886.34	887.55	879.45	0.0	935.70	30/8	701.92	3/1	935.70	30/8/85	517.92	30/11/84
49	INDUSTRIAL GROUP (482)	696.28	+0.4	9.12	3.82	13.85	14.90	693.21	690.84	686.19	557.78	696.28	1/11	599.75	3/1	696.28	1/11/85	59.01	13/12/74
51	Oils (18)	1164.59	−1.2	16.16	7.52	7.59	60.65	1178.51	1188.31	1184.17	1087.54	1239.75	15/2	1042.21	3/1	1239.75	15/2/85	87.23	29/5/62
59	500 SHARE INDEX (500)	736.10	+0.2	9.99	4.28	12.57	18.56	734.35	732.92	728.29	602.04	736.10	1/11	636.98	3/1	736.10	1/11/85	63.49	13/12/74
61	FINANCIAL GROUP (114)	517.97	+0.2	—	4.68	—	14.94	516.96	514.50	511.03	402.87	517.97	1/11	430.10	4/1	517.97	1/11/85	55.88	13/12/74
62	Banks (6)	515.41	−1.1	17.38	5.74	8.22	20.18	520.93	515.01	510.49	416.53	520.93	31/10	420.58	15/4	520.93	31/10/85	62.44	12/12/74
65	Insurance (Life) (9)	788.45	+0.7	—	4.31	—	23.40	783.00	779.72	772.91	584.63	790.75	21/10	580.95	4/1	790.75	21/10/85	44.88	2/1/75
66	Insurance (Composite) (7)	396.55	+1.4	—	4.97	—	9.88	391.05	391.24	388.02	289.72	396.55	1/11	303.16	25/2	396.55	1/11/85	43.96	13/12/74
67	Insurance (Brokers) (7)	1216.93	+1.2	6.92	3.55	19.31	29.71	1202.96	1190.06	1177.20	835.31	1248.70	15/3	1009.26	25/7	1248.70	15/3/85	65.86	16/12/74
68	Merchant Banks (11)	269.83	−0.1	—	4.22	—	5.80	270.02	268.12	266.21	200.12	270.02	31/10	220.65	3/1	278.57	1/5/72	31.21	7/1/75
69	Property (51)	695.03	+0.1	5.42	3.49	24.74	12.71	694.27	696.03	697.10	626.83	699.54	17/10	585.78	10/7	699.54	17/10/85	56.01	20/4/65
70	Other Financial (25)	307.04	+0.3	9.93	5.41	12.43	11.08	306.19	302.40	301.14	250.83	307.04	1/11	261.32	26/7	307.04	1/11/85	33.29	17/12/74
71	Investment Trusts (107)	623.42	+0.3	—	3.44	—	12.63	621.35	619.14	614.90	556.10	635.62	7/3	557.78	31/7	635.62	7/3/85	71.12	13/12/74
81	Mining Finance (3)	256.10	−0.4	13.06	6.07	8.91	10.48	257.08	261.98	261.44	281.36	311.88	15/4	240.28	5/8	337.57	10/4/84	66.31	30/9/74
91	Overseas Traders (14)	598.42	−0.2	12.61	6.68	9.41	26.76	599.77	599.25	589.03	605.95	687.15	22/1	562.27	15/10	687.15	22/1/85	97.37	6/1/75
99	ALL-SHARE INDEX (738)	672.15	+0.2	—	4.34	—	17.39	670.64	669.16	664.84	551.41	672.15	1/11	580.38	3/1	672.15	1/11/85	61.92	13/12/74

	Index No.	Day's Change	Day's High	Day's Low	Oct 31	Oct 30	Oct 29	Oct 28	Oct 25	Year ago	1985 High		1985 Low		Since Compilation High		Since Compilation Low	
FT-SE 100 SHARE INDEX	1379.0	+1.8	1383.1	1371.5	1377.2	1373.8	1364.4	1347.8	1347.6	1168.6	1379.0	1/11	1206.1	3/1	1379.0	1/11/85	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri Nov 1	Day's change %	Thurs Oct 31	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	119.56	—	119.56	—	9.61
2	5-15 years	133.29	−0.07	133.39	—	11.87
3	Over 15 years	139.03	−0.09	139.16	—	11.30
4	Irredeemables	149.55	−0.19	149.83	—	13.34
5	All stocks	131.11	−0.05	131.17	—	11.11
6	Debentures & Loans	114.29	+0.01	114.27	—	8.97
7	Preference	83.50	—	83.50	—	5.77
	BRITISH GOVERNMENT INDEX—LINKED STOCKS					
8	All stocks	110.45	+0.05	110.40	—	2.69

	AVERAGE GROSS REDEMPTION YIELDS		Fri Nov 1	Thurs Oct 31	Year ago (approx.)	1985 Highs		1985 Lows	
	British Government								
1	Low Coupons	5 years	9.88	9.85	10.74	11.56	28/1	9.75	18/10
2		15 years	10.12	10.09	10.26	11.20	28/1	9.98	18/10
3		25 years	10.13	10.11	9.94	10.72	29/1	10.00	18/10
4	Medium Coupons	5 years	10.71	10.68	11.29	12.39	28/1	10.58	4/10
5		15 years	10.45	10.43	10.61	11.63	28/1	10.30	16/10
6		25 years	10.14	10.11	10.01	10.97	29/1	9.96	18/10
7	High Coupons	5 years	10.80	10.77	11.26	12.53	28/1	10.65	4/10
8		15 years	10.60	10.57	10.78	11.76	28/1	10.43	18/10
9		25 years	10.27	10.26	10.13	11.03	29/1	10.09	29/7
10	Irredeemables†		9.74	9.72	9.75	10.49	28/1	9.58	18/10
11	Debs & Loans	5 years	11.13	11.14	11.69	12.63	29/1	11.06	10/10
12		15 years	11.13	11.14	11.60	12.37	29/1	11.04	21/10
13		25 years	11.13	11.14	11.51	12.37	29/1	10.99	21/10
14	Preference†		11.75	11.75	12.84	13.14	29/1	11.73	25/10
15	Inflation rate	5%	3.63	3.63	3.27	3.72	16/7	3.11	11/3
16		10%	3.45	3.44	3.09	3.51	16/7	2.94	11/3

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGE: Baltic (70) has been deleted but not replaced.

NAME CHANGE: Forshaws Burtonwood Brewery has changed its name to Burtonwood Brewery (22).

French Kier attacks Trafalgar

By Frank Kane

THE ROW between French Kier and its largest shareholder, Trafalgar House, was taken a stage further at the extraordinary meeting called yesterday to approve Kier's £20m bid for Abbey, the Dublin-based housebuilder.

The formal motion to shareholders was overwhelmingly passed on a show of hands, with only the Trafalgar representatives—and their 25 per cent stake—voting against. Mr John Mott, the Kier chairman, immediately told the meeting that there would be a poll of the votes taken later this month.

The meeting was followed by a statement from Kier attacking Trafalgar's conduct during the past week, which has seen Trafalgar attempt unsuccessfully to dispose of its 12m or so shares through a market placing.

In a reference to Trafalgar's complaint that Kier had not consulted it before the offer was announced, the bidder pointed to the provisions of the Takeover Code governing both secrecy and equality of all shareholders. This, Kier said, prevented any consultation either before or after the bid.

Kier also pointed to the fact that it and Trafalgar are direct competitors in many areas.

Mr Mott later questioned the motives of Trafalgar in holding its large stake in Kier in the first place. He said that last June, after the holding had been acquired, Trafalgar informally indicated that it was interested in making an offer, although no formal proposal has yet been put.

The decision to call a poll at a later date was taken by some last night as a sign that Kier had failed to get majority approval for the offer, but this was rejected by Mr Mott. He said that since the intervention of Trafalgar the situation had changed, and that Kier shareholders needed more time to fully appraise the offer.

Kier reiterated its belief that the Abbey purchase, which has also been dogged by the long-standing feud in the Gallagher family that controls the Irish group, was in the best interests of its shareholders.

The poll will take place in the offices of auditors Peat Marwick Mitchell & Co on November 21.

Harris chief reduces holding

By David Goodhart

Sir Philip Harris, chairman of Harris Queensway, the stores group, has sold 2.4m of his own shares in the company and 500,000 belonging to the Philip and Pauline Harris Charitable Settlement. Before tax proceeds from the share sale amounts to about £7.0m.

Before the sale Sir Philip—directly or indirectly-owned about 34.5m shares representing 22 per cent of the share capital. Its stake is now slightly under 20 per cent.

Sir Philip said he had sold his shares at this time because it was one of the few times of the year when it was possible to do so. Harris announced a 16.5 pe rcent increase in its interim profits at the end of last month.

It is understood that about £1.25m will go—via the Charitable Trust—to fund a new scanner for Guy's Hospital in London. The rest is likely to go into private investments abroad.

Harris Queensway's share price closed unchanged yesterday at 256p.

United Newspapers expanding in US

United Newspapers is extending its US operations with the purchase, through its PR Newswire subsidiary, of InterMedia Group which supplies press releases to the media from corporate clients.

United did not disclose the value of the deal beyond saying it was less than 5 per cent of its net assets—valued at £100m in its latest accounts.

InterMedia has regional newswire services in Washington DC, Detroit, Cleveland and Atlanta. Clients include all the main US automobile manufacturers.

As a result of this deal PR Newswire will serve more than 800 media outlets and 12,000 news sources in the US. Mr James G. Brams, son of the founder, will remain president of InterMedia and become a vice-president of PR Newswire.

Westminster Property

The Westminster Property Group, formerly part of controversial financier Mr Jim Raper's St Piran Group, came to the end of its stock market life yesterday when the provisional liquidator said he would not make funds available to maintain the register.

An application to wind up Westminster is being heard at the High Court on Monday.

Imps still interested in parts of Allied-Lyons

BY MARTIN DICKSON

MR GEOFFREY KENT, chairman of Imperial Group, said yesterday that he might still be interested in buying parts of Allied-Lyons, the food and drinks conglomerate, if Elders IXL, the Australian company succeeded with its £1.8bn bid for Allied.

Imperial held talks several weeks ago with Elders about membership of a consortium to bid for Allied, but finally decided not to take part. Elders is bidding alone, with finance from a group of eight banks.

Mr Kent, speaking to reporters after an extraordinary general meeting of his company, explained that Elders had put a higher value on Allied's assets than Imperial. Asked whether he might still consider buying parts of Allied, he replied: "It is possible we could be interested, if Elders were successful."

Imperial, he said had mainly been interested in Allied's wines and spirits business, its off-licences and its restaurants—areas which would help fill out Imperial's existing divisions.

The EGM approved Imperial's sale of Howard Johnson, its troubled US hotels and restaurant chain, to Marriott, the major American hotel company, for $314m.

Imperial is keen to make fresh acquisitions in the wake of that deal, and Mr Kent told reporters he would prefer to buy a UK company with substantial overseas interests, though he would also be prepared to consider US companies.

Earlier, during the meeting, he had to face critical questions from small shareholders over Howard Johnson, which was only acquired in 1980. Its sale will mean a £127m writedown in shareholders' funds.

Investors described the purchase of the hotels chain as a "very bad deal" and an "appalling chapter" in Imperial's history. There was a scattering of applause when one speaker asked what confidence there could be that when Imperial "unloaded" the proceeds of the sale, sounder business judgments would be applied.

Mr Kent said a lot of lessons had been learnt from Howard Johnson and the company was setting extremely rigid financial and market hurdles for any potential acquisitions.

He added that the group's three UK divisions had been trading very strongly in 1985 and their prospects for the new year, starting today, were encouraging.

Star Computer losses at £0.6m

FOLLOWING ITS first-half losses of £393,000, Star Computer Group has fallen further into the red. For the 14 months to June 30, the group incurred pre-tax losses of £622,000, which compares with profits of £120,000 for the 12 months to end-April 1984.

No dividend is proposed. At the interim stage, the directors of this computer equipment and software retailer, said they intended to pay a dividend for the 14 months equivalent to the 2.5p paid in 1984. Losses per 10p share have emerged at 5.7p, against earnings of 3.4p.

Trading conditions in the industry were difficult throughout a financial year during which the group was undergoing considerable change, the directors state.

Looking ahead they say that the now firmly established product lines, a strengthened management team and continued enforcement of rigorous cost controls will lead to an improvement in group results in the coming year.

For the 14 month period turnover amounted to £9.11m (£7.53m), which incurred an operating loss of £264,000 (£120,000 profit). However, the directors say that following the disappointing half year results, the group returned a small operating profit of £129,000 during the remaining eight months.

The pre-tax result was struck after a £358,000 (nil) exceptional debit due to a change in the group's main product range to convergent technologies equipment. In accordance with accounting policy, the directors have reduced the carrying value of the stock relating to the previous product range to its net realisable value.

The group's R and D expenditure was at a record level during the year, and run up costs for new products have again been written off as incurred, the directors state.

This plus the previous year's expenditure, culminated in the introduction of the new Star Auditor 1000 range in February, and it was from then that trading improved substantially. Together with the steps taken on margin and overheads, they say it has significantly moved the group towards recovery.

● **comment**

It is not every day that a company goes £622,000 into the red to be rewarded with a 14 per cent rise in its share price, but Star Computer pulled it off yesterday. The reaction was the more remarkable for the fact that the shares fell from 35p to 28p on the announcement before recovering to 40p. The reason for this unusual performance is not to be found in the short-term trading prospects: for all the impressive language of its statement, Star Computer is really little more than a UK distributor for Convergent Technologies these days and the nature of its business does not hold out the promise of dramatic growth. Of more interest to investors is Star Computer's attractions to a predator. At 28p the company was clearly undervalued in terms of assets alone and its maintenance income stream makes it a potential target for its acquisitive brothers in the maintenance field. Yesterday's buyers must have felt they could not lose: either the promised recovery would one day arrive or someone else better able to deliver it would step in. The shares may yet add a few pence before settling down to await events.

Reorganisation boosts Burgess to over £1m

REFLECTING benefits of the reorganisation Burgess Products (Holdings) made a pre-tax profit of £1.1m in the year ended July 27 1985. Previously it recorded £72,000.

Mr Bob Morton, the chairman, says the remaining activities—precision electrical and electronic components, and acoustical and other engineering products—are profitable and poised for growth. Burgess is also looking to expand by acquiring profitable and well managed compatible businesses.

Mr Morton says he is looking at companies in Canada, the US and the UK. One possible deal in the latter could involve £1.5m. Any deal done must improve earnings per share, he stresses.

"We have cleared out the problems, now we are going into the process of rebuilding the company."

Burgess is already a dominant UK manufacturer of microswitches for applications ranging from telephones to cars. And Mr Morton says if he can double the size of the business in the next 12 months he will be happy.

During the year the company sold its power tools subsidiary and ceased the manufacture of loss-making mild steel silencers. The loss on scale of power tools has been offset against the provision for reorganisation made in 1984 and has left a release of £468,000, while the provision for closing the silencer business is £1.19m.

Mr Morton, who owns something over 16 per cent of Burgess, is currently contemplating disposing of the remaining exhausts and silencer part of the business. This is in the books at £1.5m but did not turn in a profit last year.

The company made a rights issue and placing to raise almost £1m at the beginning of the year. It is paying the promised 2p net dividend on the higher capital, the final being 1.5p. Last year there was an interim and only payment of 0.5p.

● **comment**

Mr Bob Morton of Burgess Products has achieved an interesting double. He sold his own exhaust company to Kwik-Fit for a very good price and went to Burgess as the man who could make money out of this sector. But he quickly found that concentrating on microswitches was the better bet. So loss-making mild steel silencer manufacture has been shut down and now negotiations are afoot for the sale of the rest of the exhaust business — while a fifth of net assets, it makes no contribution to profits. A private U.S. company in the agricultural or diesel area is said to be very interested. With debt now on the decline and the loss makers cleared up, a North American acquisition in the microswitch area looks on the cards. Pre-tax £1.5m should be possible for 1985/86, which has the shares at 150p on a prospective p/e of almost 9 on a 20 per cent tax charge. With the reorganisation gains already in the price, little more can be expected until news of a takeover. It takes an awful lot of Rolls Royces (with 36 Burgess microswitches each) to boost sales the organic way.

Lawrie warns of reduced profits from tea estates

Lawrie Group's results for 1985 will be adversely affected by a much reduced profit contribution from tea estates, but to some extent this will be offset by a substantial gain arising from the sale of various investments.

The company says that if there is no reduction before the end of this year in the enhanced exchange value of the pound, the balance sheet values of the group's overseas assets will be considerably reduced. At current exchange rates, that reduction would amount to almost £7m.

Pre-tax profits in the year to December 31 1984 increased to £10.92m (£8.77m).

In the company's 1985 interim report, members are told that the increased production of the Bangladesh and Malawi tea estates has encountered the current phase of weak market conditions, which will sharply reduce their profits in comparison with 1984.

In Bangladesh, an early start to the season followed by reasonable rainfall has resulted in a 20 per cent crop increase over 1984 at the end of September. Only a third of the total estimated crop has so far been sold, but so the basis of average prices realised to date a marked reduction in profitability for the current season must be anticipated.

In Malawi, more favourable weather enabled the British African Group to lift its total tea crop by 20 per cent over 1983-84. Profit after tax for the year to June 30 1985 is expected to be approximately £700,000 (£1.62m).

In India, for the year to August 31 1985 Stewart Holl (India) has produced a record crop of 3,577,449 kg and as the Indian market was not so depressed early in the year the majority of this crop has sold at fairly remunerative prices. Although the final results will not equal those achieved last year, a reasonable profit should be earned, the company states.

Investors Cap. may opt for unitisation

By Frank Kane

Investors Capital Trust, the Edinburgh-based investment trust which on Tuesday was told that 19.4 per cent of its shares were in the hands of British Assets Trust, will opt for unitisation if its plans to set up a fund management company are rejected by shareholders.

British Assets said when it announced the stake that it was "formulating proposals which it believes will be in the best interests of shareholders" — widely believed to mean an offer for the company. Yesterday's announcement means that Investors Capital would rather cease to exist as an investment trust than become a subsidiary of British Assets.

Baring Brothers, the merchant bank which is advising Investors Capital, recognised that the British Assets link may have some short term attractions, but said that shareholders' interests would be best served by the continuation of the proposed management structure.

It said that the proposed fund management structure — to be voted on at an extraordinary meeting on Monday — was the best way to ensure the long-term strengthening of the management team.

Southend Stadium bit by bad weather

Severe weather in the early part of 1985 resulted in lower attendances at Southend Stadium, and the cancellation of eight race meetings, the directors state.

For the six months to end-June pre-tax profits fell from £47,000 to £22,000 after ex-gratia compensation of £38,000 (£24,000) paid to directors. Profits for 1984 were £15,537.

Total turnover for the group, which has property and building interests, improved by £365,000 to £570,000, but tote retentions fell by £17,918 to £91,337.

Tote retentions since June, however, are marginally in excess of the previous year, directors say, although income from racing will not cover costs for the full year.

Net revenue from the company's properties, including its building subsidiary, continue to prove satisfactory, they add.

FT Top 500

In the FT Top 500 survey which appears in today's paper on page 11, the following figures are incorrect. European Top 500 and UK Top 500: Ladbroke market capitalisation £502.9m ($643.6m) not £432.5m ($553.7m) European ranking 180 not 197, UK ranking 84 not 86. Great Universal Stores (European ranking 39, UK ranking 18) total employment 39,713 not 224,000. GUS is accordingly incorrectly placed in the page one table of biggest employers.

European Top 500: Kansallis Osaka Pankki market capitalisation $420.7m not $360.6m, ranking 240 not 274.

Top European companies by turnover: ENI turnover $23,252m not $17,635m. As such the company should be ranked 3 not 7.

The survey also appeared in the issue of Saturday, October 26.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Berry Trust	1.05	Dec 16	1	1.05	1
Burgess Products	1.5†	—	Nil	2	0.5
Regenterest	1	—	1	1.5	1.5
Star Computer	Nil	—	2.5	nil	2.5

Dividends shown pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

CONTENTS

Financial Times TOP 500 1985

RESEARCH

Statistical information for this survey was compiled by Dick Whittington, Vicky Sutcliffe, Anne Dullforce and Sue Hopkins. The ROCE calculations were provided by Derek Fitches, Peter Dunning and Trevor Long of Extel and the investment trust figures were supplied by Hamish Buchan at Wood Mackenzie. The survey was co-ordinated by Stefan Wagstyl and Lucy Kellaway.

For reprints (Price £10), which will include addresses, telephone and telex numbers of the companies listed, contact Nicola Banham, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY.

THE FT 500 is a survey of Europe's biggest companies, published for the fourth year in succession.

In the two main lists, the European 500 and the UK 500, publicly quoted companies are ranked by market capitalisation, taken as an average for the month of June. This yardstick measures a company's value in the eyes of investors. It is a good guide to performance over time.

Moreover, market capitalisation gives proper weight to banks, whose positions are distorted in lists based on turnover and to loss-making companies, which disappear altogether from tables ranked by profits.

The survey also analyses the key figures on each company — turnover, profits, employment and return on capital.

The stock market varies in importance from one country to another. It is particularly important in the UK, in West Germany banks play a more direct part in corporate finance, and in France and Italy many of the biggest groups are state-owned. To take account of these we include for the third year running a list of the top 100 European enterprises, whether publicly or privately owned, ranked by turnover.

In addition, for the first time, the survey looks at UK investment trusts, ranking them by market capitalisation in a table of the top 100.

Markets buoyed by strong profit rises

BY STEFAN WAGSTYL

Europe's top 500 companies have surged ahead on their respective stock markets.

Buoyed by strong advances in corporate profits, bourses in most of the 13 countries surveyed rose to record levels in the year to June, taking the combined value of the 500 leading companies to a new high.

To join this year's list a company had to be worth at least $170m, against $145m last year —an increase which is even greater than it appears since European currencies fell against the U.S. dollar, the unit of measure, over the 12 months.

The threshold for the top 100 has risen above $1bn for the first time.

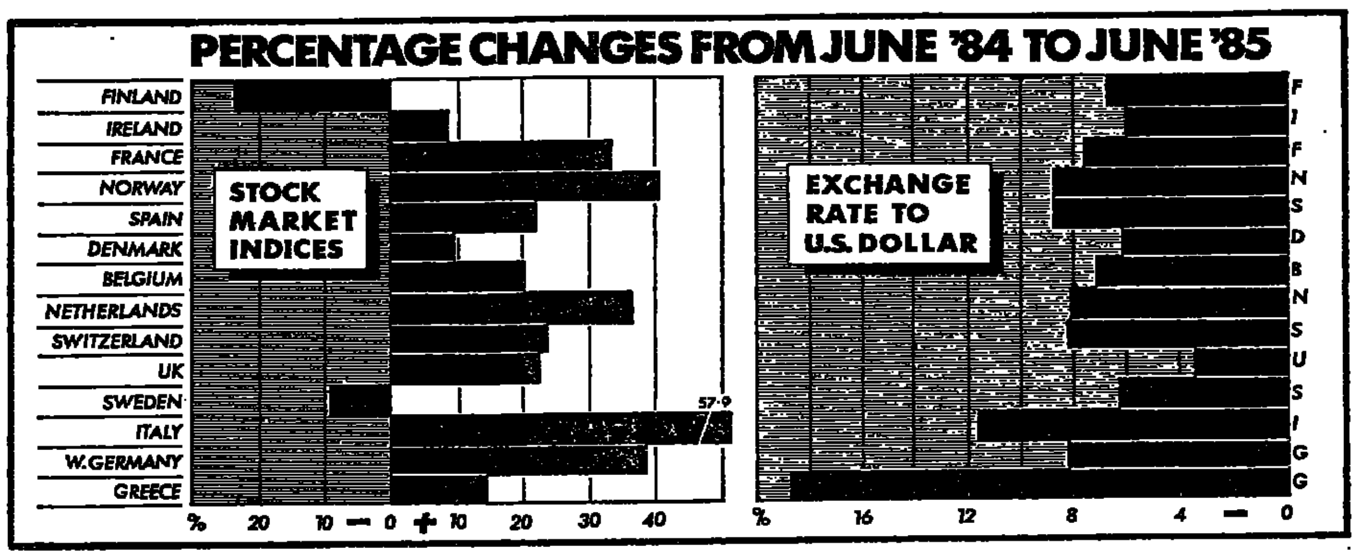
At the top of the 500, newly-privatised British Telecom makes its debut at number 2—ahead of British Petroleum, but well behind Royal Dutch/Shell. Glaxo returns to the top ten, joined by fast-expanding West German insurer Allianz Versicherung, which has leapt 15 places to number 10. GEC, Unilever and Nestle make way for these companies — GEC falling out of the top ten for the first time, in contrast to its West German rival Siemens, which stays unmoved in fifth place.

As in previous years, UK companies, quoted on a more active stock exchange than any on the Continent, dominate the list. The best performer in the 500 is British electrical retailer Dixons Group, up 263 places to 123, after a year of successful expansion and acquisition. The worst performer is also British —Lex Service Group, which has fallen 210 to 442, following losses at a U.S. electronics distribution subsidiary.

A vintage year for UK takeovers means that several prominent names have left the 500, notably House of Fraser, now privately owned by the Al Fayed family. But their places have been filled by a string of new issues including Abbey Life, in at 128, and Jaguar at 179.

Nevertheless, the UK's pre-eminence in the European 500 is slowly fading as other bourses grow in market capitalisation. The number of British companies is down to 217, against 234 when the list was first published in 1982.

In previous years, Scandinavian companies have made a strong showing in the 500. But this year, the region's biggest stock market, Stockholm, suffered a setback amid growing disillusionment over the Social Democratic government's economic policies. As a result, almost all Swedish companies have fallen back, notably Volvo, down from 27 to 56 and L. M. Ericsson, tumbling from 49 to 78.



Finnish companies, last year's high-fliers, are among the worst performers of 1985, their numbers cut from 12 to 7. The Danish stock market held its own, but its largest company, the once highly-favoured bio-technology group Novo Industri, is down 42 places to 118, following poor results.

Foreign investors played their part in expanding the value of Scandinavian bourses. This year, their attention turned from north to south, particularly to Italy, where the stock market leapt 58 per cent over the 12 months to June.

Investors became increasingly confident about Socialist Prime Minister Craxi's ability to cope with the country's economic problems and backed Italian companies across the board. From vehicles (Fiat) and chemicals (Montedison), to computers (Olivetti) and department stores (La Rinascente), Italian companies have raced up the 500.

In West Germany too, a strong year for the stock market has brought advances on a wide front in the European 500. There were strong gains from the banks, led by Deutsche, up two to 11, matched by good performances in engineering industries from Volkswagen, 13 places higher at 33, and from Mannesman, up nine at 61. The big three chemical groups, Bayer, Hoechst and BASF, all climbed a few places.

However, for the second year running, the highlight of the West German stock market was the insurance sector, with not only Allianz, but also Colonia Versicherung and the life company Victoria Lebens making strong gains.

These groups feature in a European-wide rerating of insurers. The biggest leap came from the Italian company Fondiaria Vita, which rose 230 places to 208. Among larger groups, Winterthur Versicherung and Swiss Re from Switzerland, the Dutch group Nationale-Nederlanden and Italy's Generali Assicuazioni (in which Allianz has taken a stake) were all up on last year. The UK's Commercial Union, beset by problems in the U.S., was one of the few insurers to have fallen in this years list.

The gains made by insurers were primarily the result of a general improvement in world insurance rates. But they also reflect an overall increase in the popularity of financial groups, which has embraced the banks as well. Some of the biggest advances have been posted by Switzerland's Baer Holding, Mediobanca of Italy and the ambitious Scottish pair, Bank of Scotland and Royal Bank of Scotland.

But the list also highlights the risks of banking—one of the year's biggest casualties is Johnson Matthey, leaving the European 500 altogether following the collapse of its subsidiary, Johnson Matthey Bankers.

Looking across the broad sweep of European industry, the advance of the economic cycle last year brought back into favour many cyclical stocks in old-established industries, often at the expense of high-technology favourites.

This year, the trend has continued, with some of the most notable gains posted by companies which had to fight longer than most to overcome the recession.

This development is particularly clear in France, where consumer goods companies were all the rage on the stock market last year. This time, it is electrical group Thomson-CSF, tyre-maker Michelin and vehicle group Peugeot which have made the running.

Elsewhere, Swedish engineer Alfa-Laval, Italian tyre-maker Pirelli and UK motor parts group Lucas Industries have all made good recoveries in the rankings.

It was a bad year for oil companies, however, with t[he] price of crude falling relen[t]lessly. Shell was the only b[ig] oil group not to slip in th[e] rankings. Ultramar was th[e] worst performer, tumbling [illegible] places to 154.

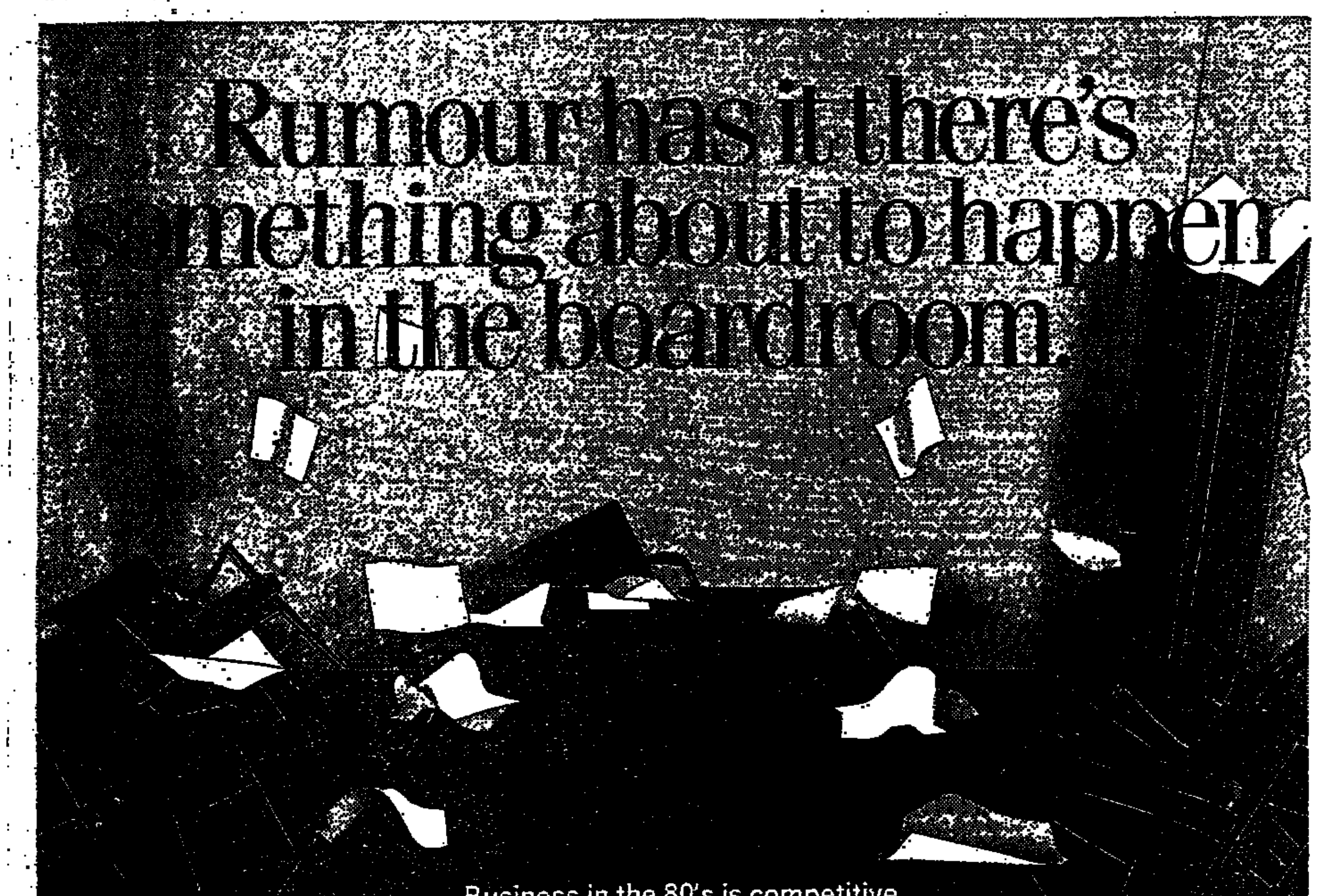
FT500 Europe's biggest employers

Rank	Company	Cty	Sr	Top 500 Rank	No. Employ
1	Unilever NV/PLC	N/UK	25	13	336,0[illegible]
2	Philips	Net	4	24	344,0[illegible]
3	Siemens	Ger	4	5	319,0[illegible]
4	Volkswagen	Ger	9	33	238,3[illegible]
5	British Telecom	UK	48	2	238,30
6	Fiat	Ita	9	36	230,84
7	Great Universal Stores	UK	34	39	224,82
8	BAT Industries	UK	36	8	222,62
9	Daimler-Benz	Ger	9	4	199,8[illegible]
10	Peugeot	Fra	9	212	187,50
11	Hoechst	Ger	42	20	177,94
12	Bayer	Ger	42	19	174,80
13	Royal Dutch/Shell	N/UK	51	1	149,00
14	Lonrho	UK	91	194	148,38
15	Nestle	Swi	25	14	137,95
16	Thyssen	Ger	8	182	132,93
17	British Petroleum	UK	51	3	131,00
18	General Electric	UK	5	12	127,40
19	Barclays	UK	62	23	125,90
20	Grand Metropolitan	UK	22	31	125,07
21	BASF	Ger	42	22	115,8[illegible]
22	Imperial Chemical Inds	UK	42	7	115,60
23	Mannesmann	Ger	8	61	103,68
24	Imperial Group	UK	36	50	92,59
25	Thorn EMI	UK	29	104	90,32

* Weekly average. † Year-end total. ‡ Weekly average for pri[or] year

500 Capitalisation by Country

	$bn
UK	215.[illegible]
West Germany	82.4
Switzerland	46.6
Netherlands	33.4
France	22.4
Sweden	17.6
Italy	14.4
Spain	8.6
Belgium	7.3
Denmark	2.2
Norway	2.1
Finland	1.7
Ireland	0.9



Financial Times TOP 500

2 EUROPE

-200

Ranking 85	1985	Company	Country	Market capital $m	Sector	Rank-ing	Turnover this year $m	Turnover last year $m	% change	Profit this year $m	Profit last year $m	% change	ROCE	Employees	Year end
1	(1)	Royal Dutch/Shell	NET	[illegible]	[illegible]	[illegible]	94,501.9	79,723.4	18.5	13,689.2	11,483.9	18.4	29.5	149,000	31.12.84
2	(—)	British Telecom	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	(2)	British Petroleum	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	(3)	Daimler-Benz	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	(5)	Siemens	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	(8)	Union Bank of Switzerland	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	(6)	Imperial Chemical Industries	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	(10)	BAT Industries	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	(11)	Glaxo Holdings	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	(25)	Allianz Versicherung	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	(13)	Deutsche Bank	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	(7)	General Electric	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	(9)	Unilever NV/PLC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	(4)	Nestle	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
15	(16)	Swiss Bank Corporation	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	(18)	BTR	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	(12)	Marks and Spencer	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
18	(22)	Ciba-Geigy	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
19	(14)	Bayer	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20	(26)	Hoechst	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	(23)	Credit Suisse	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	(21)	BASF	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	(29)	Barclays	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	(20)	Philips	NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	(37)	Hanson Trust	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	(31)	Generali Assicurazioni	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	(15)	Beecham Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
28	(49)	National Westminster Bank	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	(36)	Cable and Wireless	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
30	(40)	Munchener Ruckversicherung	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
31	(17)	Grand Metropolitan	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	(24)	Hoffman La Roche and Co.	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	(46)	Volkswagen	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	(19)	RWE	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	(32)	Sainsbury J.	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	(61)	Fiat	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	(28)	VEBA	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
38	(42)	Prudential Corporation	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	(38)	Great Universal Stores	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40	(—)	Telefonica	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	(30)	Rio Tinto-Zinc Corporation	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	(45)	Bass	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	(57)	Nationale-Nederlanden	NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	(51)	Zurich Insurance	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	(28)	Elf Aquitaine	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	(85)	Royal Insurance	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47	(64)	Air Liquide	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48	(50)	Allied-Lyons	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	(43)	BMW	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
50	(56)	Imperial Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	[illegible]	Sandoz	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
52	[illegible]	Lloyds Bank	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
53	[illegible]	Dresdner Bank	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
54	[illegible]	Boots	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
55	[illegible]	Land Securities Investment Tst.	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
56	[illegible]	Volvo	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
57	[illegible]	Commerzbank	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
58	[illegible]	Winterthur Versicherung	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	[illegible]	Petrofina	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
60	[illegible]	BOC Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	[illegible]	Mannesmann	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	[illegible]	Trafalgar House	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	[illegible]	Associated British Foods	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	[illegible]	Guardian Royal Exchange	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	[illegible]	Sears	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	[illegible]	Distillers Company	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	[illegible]	Legal and General Assurance	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	[illegible]	General Accident	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	[illegible]	Bayerische Hypo und W. Bank	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
72	[illegible]	Trust Houses Forte	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
73	[illegible]	Bayerische Vereinsbank	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
74	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
76	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
77	[illegible]	Consolidated Gold Fields	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
78	[illegible]	Ericsson LM	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
79	[illegible]	ASEA	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81–90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	[illegible]	P & O Steam Navigation	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
92–100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
101	[illegible]	[illegible]	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
102	[illegible]	Mediobanca	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
103	[illegible]	Jacobs Suchard	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
104	[illegible]	Thorn EMI	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
105	[illegible]	Reckitt and Colman	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
106	[illegible]	Norsk Hydro	NOR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
107	[illegible]	Standard Chartered	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
108	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
109	[illegible]	Royal Bank of Scotland	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
111	[illegible]	Smith and Nephew Associated	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
112	[illegible]	BSN Groupe	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
113	[illegible]	Saab-Scania	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
114	[illegible]	British Aerospace	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
115	[illegible]	Amro Bank	NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
116	[illegible]	Reed International	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
117	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
118	[illegible]	Novo Industri	DEN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
119	[illegible]	United Biscuits	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
121	[illegible]	Heineken	NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
122	[illegible]	Schering	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
123	[illegible]	Dixons Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
124	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
125	[illegible]	Electrolux	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
126	[illegible]	Rank Organisation	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
127	[illegible]	Ste. Gen. de Surveillance	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
128	[illegible]	Abbey Life	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
129	[illegible]	Hammerson Property	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
130	[illegible]	Pearson	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
131	[illegible]	Oerlikon Buehrle	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
132	[illegible]	Woolworth Holdings	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
133	[illegible]	Rowntree Mackintosh	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
134	[illegible]	Pharmacia	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
135	[illegible]	Banco de Santander	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
136	[illegible]	VEW	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
137	[illegible]	Preussag	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
138	[illegible]	Hidroelectrica Espanola	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
139	[illegible]	Blue Circle Industries	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
140	[illegible]	Electrowatt	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
141	[illegible]	Total	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
142	[illegible]	Pilkington Brothers	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
143	[illegible]	Astra	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
144	[illegible]	British Home Stores	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
145	[illegible]	Sanofi	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
146	[illegible]	Swissair	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
147	[illegible]	Nordwestdeutsche Kraftwerke	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
148	[illegible]	Hochtief	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
149	[illegible]	Svenska Cellulosa	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
150	[illegible]	Degussa	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
151	[illegible]	Redland	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
152	[illegible]	MEPC	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
153	[illegible]	Swiss Volksbank	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
154	[illegible]	Ultramar	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
155	[illegible]	Argyll Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
156	[illegible]	Brown Boveri	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
157	[illegible]	Courtaulds	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
158	[illegible]	Bancaire	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
159	[illegible]	RAS	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
161	[illegible]	Guest, Keen and Nettlefolds	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
162	[illegible]	Skandinaviska Enskilda Bank	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
163	[illegible]	KLM	NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
164	[illegible]	GHH	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
165	[illegible]	Iberduero	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
166	[illegible]	Carrefour	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
167	[illegible]	Northern Foods	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
168	[illegible]	Pernod Ricard	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
169	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
170	[illegible]	Banco Central	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
171	[illegible]	Linde	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
172	[illegible]	Banco Espanol de Credito	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
173	[illegible]	EBES	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
174	[illegible]	Ferranti	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
175	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
176	[illegible]	Harrisons and Crosfield	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
177	[illegible]	Generale des Eaux	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
178	[illegible]	Philips Kommunikations Ind.	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
179	(—)	Jaguar	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
180	[illegible]	Sun Life Assurance Society	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
181	[illegible]	Isar Amperwerke	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
182	[illegible]	Thyssen	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
183	[illegible]	KHD	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
184	[illegible]	Aachener und Munchener Be.	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
185	[illegible]	Karstadt	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
186	[illegible]	Beiersdorf	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
187	[illegible]	Bank of Scotland	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
188	[illegible]	Bank Leu	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
189	[illegible]	Coats Patons	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
190	[illegible]	Kaufhof	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
191	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
192	[illegible]	AEG-Telefunken	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
193	[illegible]	English China Clays	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
194	[illegible]	Lonrho	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
195	(—)	Skanska	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
196	[illegible]	BPB Industries	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
197	[illegible]	Ladbroke Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
198	[illegible]	Imperial Continental Gas Assn.	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
199	[illegible]	Granada Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
200	[illegible]	Ranks Hovis McDougall	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Basis for the lists

Rankings

The rankings for the European and UK Top 500 tables are based on market capitalisation at the end of June 1985. Any preference capital in issue has been ignored for the [illegible] calculation. [illegible]

Exclusions

Companies which have more than 50 per cent of their ordinary capital owned by another company or that have only a small proportion of their capital trading on the stock market have been excluded from the lists.

Currencies

For the European tables, figures have been converted to dollars using average exchange rates for June. A table has been included in the survey to show the rates applicable and those for June 1984 for comparison. The UK tables show all figures in Sterling.

Accounts

Consolidated accounts have been used whenever possible. If parent company accounts or partial [illegible] have been [illegible] sales figures [illegible] and interest [illegible] been taken [illegible] ranking based on "This Year's" figure is also featured.

For UK companies, profit is shown before tax, extraordinary items and minority interest.

For European companies, the profit figure has been derived by adding back corporation tax, minority interest and, in the case of Scandinavian companies, year-end appropriations to the year's net profit. It is therefore shown after extraordinary items.

Return on Capital Employed

The ROCE figures have been provided by Extel Statistical Services based on capital employed at the beginning of the year and profit before interest and taxation unless otherwise stated. For financial companies, capital employed=shareholders' funds.

Investment Trusts

The ranking for the UK Investment Trust table is also based on market capitalisation at the end of June 1985. The figure for shareholders' funds is based on the number of shares in issue multiplied by the stated net asset value. The table has been compiled with the help of Wood Mackenzie Limited.

Sector Codes

2 Building Materials. 3 Contracting, Construction. 4 Electricals. 5 Electronics. 6 Mechanical Engineering. 8 Metals/Metal Forming. 9 Motors. 10 Other Industrial Materials. 11 Diversified Industrial Holdings. 12 Services. 15 Airlines. 22 Brewers/Distillers. 25 Food Manufacturing. 26 Food Retailing. 27 Health and Household Products. 29 Leisure. 32 Newspapers/Publishing. 33 Packaging/Paper/Timber. 34 Stores. 35 Textiles. 36 Tobacco. 39 Other Consumer Products. 42 Chemicals. 44 Office Equipment. 45 Shipping/Transport. 48 Telephone Networks. 51 Oils. 59 Utilities. 62 Banks. 63 Discount Houses. 65 Insurance, Life. 66 Insurance, Composite. 67 Insurance Brokers. 68 Merchant Banks. 69 Property. 70 Other Financial. 81 Mining Finance. 91 Overseas Traders.

Exchange rates (June averages)

Currency	1985	1984	% Change	1983
Austrian Schilling	21.5326	19.232	−10.68	18.06
Belgian Franc	61.698	55.8638	−9.55	50.9114
Danish Kroner	10.9914	10.0483	−8.58	9.1243
Finish Markka	6.3639	5.8228	−8.50	5.538
French Franc	9.3372	8.4167	−9.86	7.6639
German Mark	3.063	2.7393	−10.57	2.5486
Greek Drachma	135.872	108.781	−19.94	84.3632
Irish Punt	0.9783	0.8951	−8.50	0.8974
Italian Lira	1,952.75	1,693.863	−13.27	1,509.6705
Netherlands Guilder	3.453	3.0876	−10.58	2.8556
Norwegian Kroner	8.8172	7.816	−11.36	7.2619
Spanish Peseta	174.63	154.818	−11.35	143.319
Swedish Kroner	8.8534	8.1014	−8.49	7.6896
Swiss Franc	2.5713	2.2528	−11.22	2.1119
UK Sterling	0.781	0.726	−7.04	0.6454

201-300

Ranking 1985	1984	Company	Country	Market capital $m	Sector	Rank-ing	Turnover this year $m	Turnover last year $m	% change	Profit this year $m	Profit last year $m	% change	ROCE	Employees	Year end
201	(208)	British and Commonwealth Ship.	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
202	(248)	Pearl Assurance	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
203	(177)	Rothschild J. Holdings	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
204	(277)	Thomson-CSF	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
205	(143)	SKF	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
206	(241)	Michelin	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
207	(318)	Credit Foncier de France	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
208	(432)	Fondiaria	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
209	(188)	Scottish and Newcastle Brews.	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
210	(412)	Cookson Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
211	(337)	Wurttemberg Feuerversich	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
212	(274)	Peugeot	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
213	(247)	Smiths Industries	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
214	(256)	Landis and Gyr	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
215	[illegible]	[illegible]	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
216	(157)	BICC	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
216	(216)	Habitat Mothercare	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
217	(219)	Laporte Industries	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
218	(220)	Dowty Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
219	(246)	Unigate	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
220	(—)	Svenska Handelsbanken	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
221	(288)	Smith W. H. and Son	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
222	(176)	Alusuisse	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
223	(226)	Rothmans International	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
224	(231)	Club Mediterranee	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
225	(201)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
226	(—)	Enterprise Oil	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
227	(251)	Norsk Data	NOR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
228	(260)	Burmah Oil	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
229	(236)	Metallgesellschaft	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
230	(118)	Stora	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
231	(316)	Saatchi and Saatchi	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
232	(212)	Solvay et Cie	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
233	(192)	Banco de Bilbao	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
234	(222)	United Breweries	DEN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
235	(272)	Lafarge Coppee	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
236	(265)	Metal Box	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
237	(278)	Booker McConnell	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
238	(—)	Hufvudstaden	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
239	(263)	Rodamco	NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
240	(420)	Bunzl	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
241	(233)	Pargesa Holding	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
242	(182)	Societe Generale de Belgique	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
243	(228)	BSI	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
244	(235)	Inchcape	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
245	(303)	Rheinelektra	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
246	(289)	De La Rue	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
247	(217)	Slough Estates	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
248	(195)	Berisford S. and W.	UK	408.3	25	25	7,302.1	6,445.0	34.1	102.6	71.1	44.3	15.7	9,162	30.9.84
249	(209)	Perrier Source	FRA	408.2	25	283	431.0	347.0	24.2	32.0	34.5	−7.2	21.3	NA	30.9.84§
250	(207)	Wimpey (George)	UK	408.1	3	110	1,851.4	1,783.6	3.8	48.9	57.6	−15.1	8.8	26,000	31.12.84
251	(—)	Christian Salvesen	UK	403.4	25	308	328.2	269.9	21.6	42.7	33.6	27.4	23.7	5,386	31.3.85*
252	(295)	Bouygues	FRA	402.7	3	153	1,294.7	896.4	40.9	40.9	39.0	4.8	6.0	21,204	31.12.83*
253	(268)	Tate and Lyle	UK	402.3	25	91	2,204.7	2,283.8	−3.4	88.6	73.3	20.8	20.3	11,883	29.9.84
254	(218)	Billerud	SWE	401.2	33	247	579.6	525.6	10.2	85.5	74.4	14.9	20.3	8,082	31.12.84
255	(238)	Skandia Forsakrin	SWE	399.8	66	—	NR	NR	—	11.9	168.8	−92.9	NR	6,065	31.12.84*
256	(193)	Sandvik	SWE	398.7	8	154	1,266.8	1,130.7	12.0	108.1	(87.6)	—	18.9	23,777	31.12.84
257	(202)	RMC Group	UK	397.6	2	136	1,504.3	1,342.5	12.0	104.0	91.6	13.5	23.3	17,089	31.12.84
258	(324)	Italcable	ITA	395.5	4	333	197.0	154.4	27.5	44.6	22.1	101.8	NA	3,357	31.12.84*
259	(210)	Dalgety	UK	395.3	25	34	4,738.7	3,638.9	30.2	85.7	67.2	27.5	18.9	20,174	30.6.84
270	(320)	Bell (Arthur) and Sons	UK	394.4	22	307	328.6	315.8	4.0	45.0	40.0	12.5	23.4	1,989	30.6.84
261	(181)	Union Bank of Finland	FIN	393.7	62	—	NR	NR	—	77.0	66.1	16.4	27.2†	6,590	31.12.84
262	(329)	Nederlandsche Middenstndsbk.	NET	393.2	62	—	NR	NR	—	41.7	42.6	−2.1	10.1†	11,530	31.12.84*
263	(268)	BIC	FRA	391.5	39	231	683.5	581.0	17.6	86.2	54.3	58.7	38.5	12,750	31.12.84
264	(225)	Generale de Banque	BEL	391.4	62	—	NR	NR	—	83.3	100.6	−17.1	14.7†	15,778	31.12.84*
265	(304)	Colonia Versicherung	GER	388.6	66	—	NR	NR	—	18.0	16.0	20.0	NR	4,955	31.12.84*
266	(352)	Pirelli International	SWI	388.0	6	—	NR	NR	—	16.1	13.3	21.0	NA	63,602	30.6.84¶
267	(273)	Harris Queensway Group	UK	384.7	34	273	474.2	288.6	64.3	34.9	32.7	6.7	34.6	6,720	24.12.84
268	(246)	London and Scottish Marine Oil	UK	375.6	51	304	337.2	275.9	22.2	144.8	115.1	25.8	29.2	258	31.12.84
269	(421)	Alfa-Laval	SWE	374.9	6	182	999.3	1,044.8	−4.3	44.9	91.1	−50.7	12.8	16,030	31.12.84
270	(185)	Cardo	SWE	369.4	25	305	335.8	316.2	6.1	56.6	69.4	−18.4	15.3	4,625	31.12.84
271	(334)	Alsthom Atlantique	FRA	368.1	6	85	2,541.4	2,329.3	9.1	65.9	79.8	−17.4	9.3	38,423	31.12.84
272	(319)	Gist Brocades	NET	365.8	42	261	505.9	452.5	11.8	33.9	25.0	35.6	12.7	6,352	31.12.84
273	(383)	Elsevier-NDU	NET	361.7	32	287	413.7	383.8	7.7	32.2	22.1	45.7	24.5	6,840	31.12.84§
274	(161)	Kansallis-Osake-Pankki	FIN	360.6	62	—	NR	NR	—	81.8	45.2	80.9	23.4†	8,178	31.12.84*
275	(276)	Kwik Save Discount Group	UK	358.3	26	209	790.0	685.5	15.2	40.7	35.0	16.2	37.6	5,694	25.8.84
276	(242)	Berliner Kraft und Licht	GER	357.9	65	229	686.8	651.4	5.4	54.9	27.9	96.7	3.6	6,468	30.6.84*
277	(261)	Rentokil Group	UK	356.4	12	334	193.8	160.1	21.0	31.7	26.3	20.5	45.3	7,436	31.12.84
278	(408)	Associated Newspapers	UK	354.1	32	277	458.1	378.2	21.1	27.7	21.1	31.2	18.2	11,118	30.9.84
279	(338)	Taylor Woodrow	UK	353.9	3	202	863.7	739.0	16.8	54.4	45.9	18.5	11.9	11,130	31.12.84
280	(—)	Hillsdown Holdings	UK	353.6	25	157	1,258.8	729.4	72.5	24.1	14.7	63.9	16.4	14,069	31.12.84*
281	(368)	Lucas Industries	UK	353.0	9	114	1,788.8	1,558.0	14.8	41.7	2.6	1,452.3	7.8	66,485	31.7.84
282	(306)	Costain Group	UK	352.3	3	176	1,083.2	925.7	17.0	69.5	59.4	17.0	18.4	4,715	31.12.84*
283	(300)	Kleinwort Benson Lonsdale	UK	348.6	68	—	NR	NR	—	38.7	27.7	39.7	NR	1,121	31.12.84*
284	(424)	Rinascente	ITA	349.6	34	189	957.2	840.7	13.8	36.1	28.1	28.4	10.4	13,146	31.12.84
285	(211)	Heidelberger Zement	GER	348.0	2	314	304.8	310.0	−1.6	45.3	50.8	−10.8	17.7	2,790	31.12.84
286	(262)	Essilor	FRA	346.3	27	313	306.8	262.6	16.8	38.9	33.6	15.7	29.2	9,008	31.12.84
287	(237)	Electrocomponents	UK	345.8	5	329	209.9	165.5	26.8	37.9	28.4	33.4	55.8	1,928	31.3.85
288	(312)	Esselte	SWE	345.1	44	186	978.7	[illegible]	10.0	70.0	57.2	22.3	24.8	15,770	31.12.84
289	(235)	European Ferries	UK	343.4	45	290	396.1	413.4	−4.1	57.2	58.1	−1.5	12.7	7,873	31.12.84
290	(350)	Stock Conversion	UK	338.4	69	—	NR	NR	—	26.3	22.2	18.4	8.1	157	31.3.85
291	(302)	BHF Bank	GER	336.3	62	—	NR	NR	—	46.8	42.7	9.6	27.6†	1,947	31.12.84*
292	(353)	SAI	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
293	(—)	Bongrain	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
294	[illegible]	[illegible]	DEN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
295	(332)	Toro Assicurazioni	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
296	(294)	HEW	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
297	(306)	Hill Samuel Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
298	(404)	Hepworth J. and Son	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
299	[illegible]	[illegible]	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
300	(400)	Pirelli	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOTNOTES TO COMPANIES LISTED ON THIS PAGE

2 British Telecom, SE Listing November 1984. Market Cap is notional figure based on part-paid share price. 3 British Petroleum, turnover excludes duty and sales taxes. ROCE equivalent to 36.5 per cent before deducting production taxes. 6 Union Bank of Switzerland, parent company accounts. 10 Allianz Versicherung, accounts exclude Allianz Leben. 15 Swiss Bank Corp, parent company accounts. 18 Ciba-Geigy, profit is net of tax. 21 Credit Suisse, ROCE calculated on pre-tax profit after interest. 28 Generali Assicurazioni, parent company accounts. 32 Hoffman La Roche and Co, profit is net of tax. [illegible]

* See footnotes. † ROCE calculated on Shareholders' Funds. ‡ ROCE calculated on Capital Employed at year-end. § Previous year's figures adjusted for accounting changes. ¶ Companies omitted from previous lists due to oversights.

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Ranking 1985	1984	Company	Country	Market capital $m	Sector	Ranking	Turnover this year $m	Turnover last year $m	% change	Profit this year $m	Profit last year $m	% change	ROCE	Employees	Year end
301	(280)	Altana	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
302	(—)	British Printing and Com. Cpn.	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
303	(416)	Electra de Viesgo	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
304	(301)	Continental Gummi-Werke	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
305	(229)	Lyonnaise des Eaux	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
306	(—)	Sydkraft	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
307	(145)	Dawson International	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
308	(306)	Vickers	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
309	(296)	Fleet Holdings	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
310	(291)	Generale Occidentale	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
311	(290)	Horten	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
312	(310)	Banco de Vizcaya	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
313	(449)	Delhaize	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
314	(280)	Bank of Ireland	IRE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
315	(316)	Matra	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
316	(253)	Magnet and Southerns	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
317	(401)	Telemecanique	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
318	(357)	FECSA	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
319	(195)	Banco Hispano	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
320	(281)	Kredietbank	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
321	(404)	Equity and Law Life Ass Soc	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
322	(463)	Hoogovens	NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
323	(483)	Chargeurs	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
324	(184)	Groupe Bruxelles Lambert	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
325	(283)	Hachette	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
326	(354)	Sefimeg	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
327	(326)	Union Electrica-Fenosa	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
328	(400)	Bowater Industries	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
329	(213)	Schindler Holding	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
330	(348)	Jelmoli	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
331	(299)	Banque Cantonale Vaudoise	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
332	(—)	AGA	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
333	(429)	Baloise Insurance	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
334	(—)	Unerg	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
335	(286)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
336	(257)	Atlas Copco	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
337	(410)	Baden-Wurttembergische Bank	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
338	(—)	Helvetia-Feuer/Unfall	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
339	(—)	SnlaBPD	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
340	(288)	Savoy Hotel	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
341	(—)	Industrivarden	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
342	(372)	Avana Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
343	(—)	Uddeholm	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
344	(—)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
345	(492)	Baer Holding	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
346	(334)	Polly Peck International	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
347	(—)	Koranas Marma	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
348	(382)	Gotthard Bank	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
349	(327)	KKB Bank	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
350	(364)	Sulzer	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
351	(289)	Holzmann Philip	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
352	(226)	[illegible]	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
353	(388)	Caledonia Investments	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
354	(225)	Deutsche Babcock	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
355	(286)	Allied Colloids Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
356	(361)	Hoesch	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
357	(—)	Carlton Communications	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
358	(198)	Nokia	FIN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
359	(344)	Banque Bruxelles Lambert	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
360	(292)	Great Portland Estates	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
361	(495)	United Newspapers	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
362	(—)	Costain Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
363	(379)	Accor International	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
364	(452)	Nottingham Manufacturing	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
365	(462)	Delta Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
366	(—)	Ward White Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
367	(314)	Casino	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
368	(329)	Greenall Whitley and Co	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
369	(347)	Brown Boveri Man.	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
370	(239)	Contigas	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
371	(259)	Autopistas del Mare	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
372	(—)	Royale Belge	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
373	(370)	Den Danske Bank	DEN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
374	(—)	Wereldhave	NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
375	(363)	Rutgerswerke	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
376	(478)	Oce-Van der Grinten	NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
377	(482)	Charter Consolidated	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
378	(430)	Beisel Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
379	(271)	Allied Irish Banks	IRE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
380	(376)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
381	(285)	Hepworth Ceramic Holdings	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
382	(—)	Sonnesons	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
383	(433)	Heath C. E.	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
384	(—)	Darty	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
385	(411)	Kali-Chemie	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
386	(387)	CIT-Alcatel	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
387	(—)	Industriekreditbank	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
388	(330)	Tricentrol	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
389	(395)	Steetley	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
390	(347)	Mercury Securities	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
391	(—)	Sebo JS	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
392	(426)	B&B Investissement	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
393	(—)	Mercantile House Holdings	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
394	(—)	Northern Engineering Inds.	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
395	(441)	Ocean Transport and Trading	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
396	(480)	Dalmine	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
397	(362)	Gevaert Photo	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
398	(365)	Legrand	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
399	(—)	Aar et Tessin	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
400	(407)	London and Manchester Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
401	(229)	Farnell Electronics	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
402	(431)	Fosseco Minsep	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
403	(401)	UIS	FIN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
404	(359)	Lech-Elektrizitatswerke	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
405	(400)	Sofina	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
406	(352)	Copenhagen Handelsbank	DEN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
407	(375)	Babcock International	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
408	(306)	Dortmunder Union	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
409	(468)	Amersham International	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
410	(—)	Papyrus	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
411	(381)	Marley	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
412	(—)	Holmen	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
413	(251)	Fiechter	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
414	(447)	Eridania	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
415	(383)	Banco Popular	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
416	(401)	Glynwed International	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
417	(413)	Capital and Counties Prop	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
418	(450)	Transport Development Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
419	(—)	Electrobel	BEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
420	(—)	Ciga Hotels	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
421	(414)	Auxiliare d'Entreprises	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
422	(419)	Powell Duffryn	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
423	(—)	Mount Charlotte Investments	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
424	(—)	Nobel Industries	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
425	(373)	London Merchant Securities	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
426	(—)	PWA	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
427	(—)	Domez	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
428	(—)	CFAO	FRA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
429	(380)	Boliden	SWE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
430	(—)	Sevillana de Electric	SPA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
431	(—)	AMEC	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
432	(402)	Wolseley Hughes	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
433	(—)	Lahmeyer	GER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
434	(—)	Refuge Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
435	(—)	Vantona Viyella	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
436	(407)	Nororos	FIN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
437	(—)	Britannic Assurance	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
438	(—)	Cement-Roadstone	IRE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
439	(—)	Saepa Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
440	(—)	Compagnie Industriali Riunite	ITA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
441	(361)	Smurfit Jefferson Group	IRE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
442	(—)	Lex Service Group	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
443	(423)	Hambros	UK	195.5	66	—	NR	NR	—	16.3	13.0	25.3	NR	1,406	31.3.85*
444	(284)	Wartsila	FIN	195.3	6	184	980.9	851.5	15.1	99.6	77.4	28.6	21.0	18,096	31.12.84
445	(—)	Pleasurama	UK	194.7	29	342	138.9	42.7	—	32.3	17.1	—	37.2	4,586	30.12.84*
446	(331)	Pohjola Group	FIN	194.5	66	—	NR	NR	—	18.0	10.5	71.4	NR	3,497	31.12.84*
447	(—)	Freemans	UK	194.2	34	298	406.9	360.9	12.7	28.1	18.0	56.1	23.7	5,214	26.1.85
448	(336)	Tractionel	BEL	194.2	6	359	69.9	63.3	10.4	28.9	25.1	15.1	18.5	1,284	31.12.84*
449	(—)	LRC International	UK	193.3	27	324	250.9	204.0	22.9	24.0	19.2	25.0	33.9	8,744	31.3.85
450	(439)	TI Group	UK	192.8	6	159	1,243.5	1,170.6	6.2	24.3	20.8	16.8	12.2	28,000	31.12.84
451	(364)	Promodes	FRA	192.1	26	71	2,887.5	2,125.0	35.8	32.3	32.4	−0.3	25.8	5,998	31.12.84
452	(377)	Martell	FRA	191.8	22	328	213.8	163.5	30.7	20.7	9.0	130.0	23.8	794	30.6.84
453	(428)	Banco Exterior	SPA	189.8	62	—	NR	NR	—	29.5	25.6	15.2	11.6†	9,027	31.12.84*
454	(415)	Laing Properties	UK	189.6	69	—	NR	NR	—	16.9	14.2	19.0	7.7	511	31.12.84
455	(—)	Tootal Group	UK	188.3	35	252	557.4	495.9	12.4	29.3	22.0	33.1	16.4	13,901	31.1.85
456	(457)	Rugby Portland Cement	UK	187.4	2	322	256.0	215.1	19.0	35.5	30.9	14.8	16.3	3,236	31.12.84
457	(—)	Fermenta	SWE	186.3	42	364	45.5	14.6	211.6	8.5	0.5	1,600.0	57.8	358	31.12.84*
458	(343)	Swedish Match	SWE	185.6	33	171	1,104.0	954.6	15.6	99.2	47.4	109.2	27.3	25,900	31.12.84
459	(—)	Centrale LA	ITA	185.5	70	—	NR	NR	—	23.4	(31.0)	—	NA	177	30.6.84
460	(—)	Kosmos	NOR	185.1	45	315	290.5	211.2	37.5	15.5	20.0	−22.5	14.7	3,500	31.12.84
461	(—)	Pentland Industries	UK	184.6	35	340	147.6	65.9	123.9	16.5	2.1	658.8	190.3	888	31.12.84
462	(443)	Croda International	UK	184.1	42	265	491.0	436.7	12.4	25.6	22.5	13.7	20.1	5,633	30.12.84
463	(403)	British Land	UK	183.8	69	—	NR	NR	—	15.1	11.5	31.3	7.8	1,211	31.3.85
464	(489)	Institut Merieux	FRA	183.3	27	331	203.3	169.9	19.6	17.3	12.4	39.5	26.7	3,713	31.12.84
465	(—)	Fitch Lovell	UK	183.0	26	242	593.0	603.5	−1.7	20.8	20.6	0.9	21.7	6,672	27.4.85
466	(—)	Case Group	UK	182.8	5	348	121.7	79.5	53.0	13.4	9.2	45.6	32.1	1,545	31.3.85*
467	(—)	Hafnia	DEN	181.0	66	—	NR	NR	—	11.7	20.2	−42.0	NR	NA	31.12.84
468	(—)	DRG	UK	180.1	33	212	775.6	696.7	11.4	33.2	20.6	61.1	21.6	12,254	31.12.84
469	(483)	Bekaert	BEL	180.1	11	214	772.4	592.2	30.4	68.9	38.8	77.5	26.9	7,615	31.12.84
470	(432)	AGIV	GER	179.6	11	366	24.1	23.4	2.9	11.5	9.5	21.0	11.9	NA	31.12.84
471	(—)	Asken	SWE	179.2	11	353	90.6	128.2	−29.3	17.0	23.3	−27.0	44.0	1,469	31.12.84
472	(—)	Ciments Francais	FRA	178.9	2	263	495.2	443.8	11.5	33.1	24.8	33.4	16.1	3,226	31.12.84
473	(—)	Storebrand-Norden	NOR	178.6	66	—	NR	NR	—	21.6	24.4	−11.4	NR	3,532	31.12.84
474	(448)	Sowthorpe Holdings	UK	178.4	5	341	144.0	111.6	29.0	26.7	19.4	37.6	37.0	2,905	31.12.84
475	(349)	Cobepa	BEL	178.0	70	—	NR	NR	—	19.1	19.9	−4.0	13.4†	NA	31.12.84*
476	(—)	Menzies John (Holdings)	UK	177.8	34	238	646.9	590.5	9.5	21.8	16.9	28.9	29.5	8,913	2.2.85
477	(434)	Kraftwerk Laufenburg	SWI	177.3	55	357	80.9	75.9	6.5	4.4	4.3	2.3	NA	367	31.12.84*
478	(427)	Telephone Rentals	UK	176.9	44	354	86.5	73.7	17.3	18.8	18.1	3.8	21.0	2,168	31.12.84
479	(—)	Pirelli and Co.	ITA	176.8	70	—	NR	NR	—	10.5	6.1	72.1	NA	NA	31.12.84
480	(444)	Den Norske Creditbank	NOR	176.5	62	—	NR	NR	—	67.3	51.2	31.4	35.2†	4,387	31.12.84
481	(—)	Fromageries Bel	FRA	176.9	25	272	478.9	428.3	11.8	26.1	38.8	−32.7	25.1	6,393	31.12.84
482	(346)	Rauma Repola	FIN	176.4	11	166	1,165.1	925.3	25.9	64.2	20.0	221.0	18.2	17,867	31.12.84§
483	(486)	Flight Refuelling (Holdings)	UK	174.9	6	356	82.4	61.5	33.9	13.4	9.7	38.7	28.4	2,204	31.12.84
484	(—)	Morgan Crucible	UK	174.5	10	323	256.1	206.2	24.3	19.8	12.5	58.4	20.8	6,348	30.12.84
485	(498)	Locindus	FRA	173.4	69	—	NR	NR	—	12.9	11.9	8.4	30.8†	NA	31.12.84
486	(—)	Barratt Developments	UK	173.2	3	228	688.3	656.7	4.8	45.5	64.4	−29.3	15.0	5,504	30.6.84§
487	(360)	Home Charm	UK	173.2	34	328	234.4	174.6	34.2	13.8	8.9	55.0	47.3	3,065	29.12.84
488	(465)	Elektrizitats Ges Laufenburg	SWI	173.0	55	332	197.8	181.3	8.9	5.3	5.1	3.9	NA	NA	30.9.84*
489	(480)	Hawley Group	UK	172.9	11	293	381.6	175.4	117.5	40.3	18.1	122.6	28.6	32,439	31.12.84*
490	(—)	Lundbergforetagen	SWE	172.8	69	—	NR	NR	—	33.3	28.0	18.9	16.6	923	31.12.84
491	(416)	Haslemere Estates	UK	172.4	69	—	NR	NR	—	8.3	7.4	12.1	5.2	38	31.3.85
492	(479)	Kvaerner Industrier	NOR	172.3	6	246	579.7	549.9	5.4	47.2	40.3	17.1	22.9	8,682	31.12.84
493	(325)	Kone	FIN	172.2	6	238	653.6	618.8	5.8	29.1	27.5	5.8	25.3	13,145	31.12.84
494	(371)	Havas (Agence)	FRA	171.5	29	185	980.7	897.8	9.9	28.9	32.9	−12.1	21.3	14,250	31.12.84*
495	(—)	Poliet	FRA	171.0	2	210	778.7	758.3	2.6	26.1	21.3	22.5	16.5	7,571	31.12.84
496	(—)	Presses de la Cite	FRA	171.0	32	318	273.7	245.1	11.6	16.0	12.3	30.0	23.3	297	31.12.84*
497	(498)	Britannia Arrow Holdings	UK	170.3	70	—	NR	NR	—	18.0	12.9	39.5	19.7	1,287	31.12.84
498	(—)	Sibra	SWI	169.5	22	345	134.3	135.4	−0.8	7.2	7.2	0.0	13.3	1,470	30.9.84
499	(—)	Octopus Publishing Group	UK	168.7	32	360	68.4	47.6	43.6	11.7	8.1	44.4	52.5	334	31.12.84
500	(482)	National Bank of Belgium	BEL	168.5	62	—	NR	NR	—	65.6	60.3	−7.7	25.1†	3,286	31.12.84

Advance of the Euroequity

SIX YEARS ago, when the newly elected Conservative Government swept away the paraphernalia of exchange controls, the London Stock Exchange had high hopes of *becoming the equity market of Europe.*

The idea was, quite simply, that some European companies would choose to seek a listing in London in preference to their domestic market place and that others, already listed in their home town, would come to London in order to broaden their shareholding base and raise equity capital in a bigger and more efficient primary market.

The hopes were high but the results were disappointing. Vitatron, a Dutch manufacturer of medical equipment, duly sought a London listing in preference to a quotation in Amsterdam, but it spawned few imitators. And those British investors who snapped up Vitatron shares in October 1979 were soon disappointed. The company started losing money in 1980 and omitted its dividend in each of the following four years.

The most encouraging case was International Signal & Control (ISC), a U.S. defence and security systems group which sought a listing in August 1983. But even ISC could not be held up as evidence of a trend. The company's principal objective in coming to London was to avoid the disclosure of confidential client information which would have been required in New York.

Yet in the past year London has at last started to establish its credentials as a centre for European equity trading. Increasingly, however, the trend towards internationalisation is being interpreted not as a potentially valuable addition to business on the London Stock Exchange but as a challenge to the exchange's role as the central market in equities.

What worries the Stock Exchange is the "Euroequity" which, as its name suggests, bears more than a passing resemblance to the Eurobond.

Eurobonds are generally traded by dealers who are not members of the Stock Exchange, are bought by retail and wholesale investors in Europe, and are cleared through settlement organisations—Cedel and Euroclear—specifically designed for the purpose. The machinery is, by common consent, cheap and efficient. Its shortcoming is equally obvious: the market is almost entirely unregulated.

The use of the Euromarket to distribute equity is still in its infancy. The largest transaction to date was in June, when Nestle passed SwFr 373m of equity through the euro-market. No-one expects an off-shore market to transplant the Stock Exchange as London's principal source of equity capital, but it should at least provide competition.

European companies are, after all, taking a more entrepreneurial approach to the raising of risk capital. Reuters offered its shares simultaneously in London and New York, Banca Commerciale Italiana recently sold £43m of equity outside Italy and a host of other companies have been tucking shares away in markets outside their home country.

In the UK the British Government has been almost the leading exponent of this approach. British Telecom shares were sold in North America and Japan, while 20 per cent of the British secondary offering — which totalled £449m in all — was distributed in Switzerland and Canada. In the private sector also, at least one very large international British company has recently attempted to place a substantial chunk of equity with foreign institutions. The London Stock Exchange vetoed that particular idea, but there is no doubt that the pressure for overseas share placings is growing.

That is not altogether surprising. Fund managers take an increasingly international view of equity investment and — to reflect that demand — research analysis is becoming geared to the so-called global market.

If, so the argument runs, a U.S. investment manager is interested in buying shares in a Swedish pharmaceutical company, it is not enough for the American institution simply to deal through the unfamiliar—and relatively illiquid—Stockholm market. For better for the Swedish company to issue shares in New York, or indeed London. In that way the issuing company broadens its shareholding base and, very possibly brings its sources of equity capital into closer alignment with its sources of business.

The company can also take advantage of any residual inefficiencies in domestic markets. If, for example, defence companies are highly regarded in London, but not in Paris, it only sensible for a French defence group to place shares in London.

As the practice of trading equities across boundaries grows, as it will, domestic capital markets and the Euromarket itself will find themselves competing for the business of supplying primary capital. The domicile of the issuing company should, in the end, become almost an irrelevance.

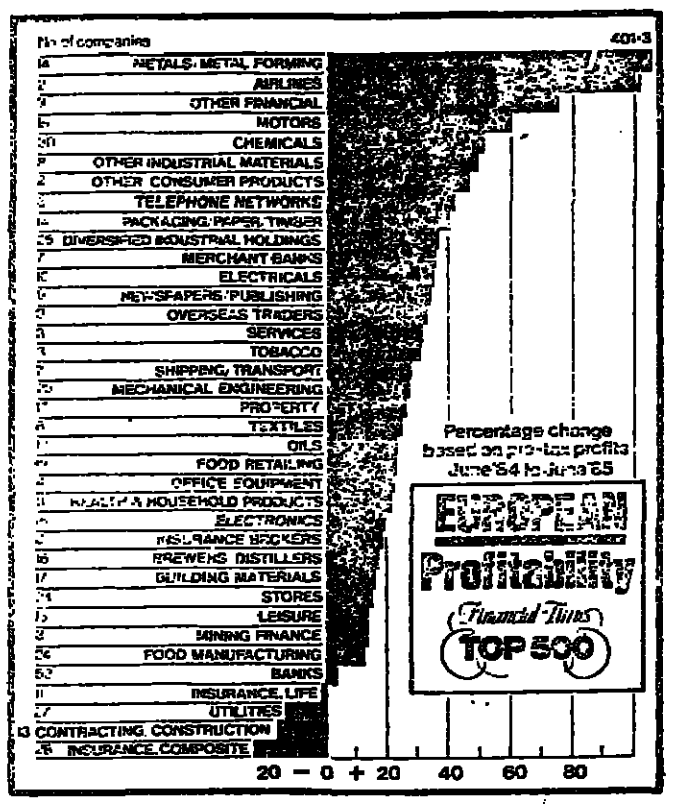
John Makinson

FOOTNOTES FOR COMPANIES LISTED ON THIS PAGE

301 Altana, domestic consolidation. 302 Electra de Viesgo, Emp=1983. 311 Horten, parent company accounts. 312 Banco de Vizcaya, Emp=1983. 318 FECSA, parent company accounts. Emp=1983. 319 Banco Hispano Americano, parent company accounts. ROCE calculated using pre-tax profit after interest. 320 Kredietbank, profit is net of tax. ROCE calculation not available as tax figure not known. 321 Equity and Law Life Assurance Society, profit is after transfers to and from revenue accounts and is net of tax. 326 Sefimeg, accounts not made available. 327 Union Electrica-Fenosa, parent company accounts. 329 Bowater Industries, previous year's figures are pro-forma, restated to exclude Bowater Inc following demerger July 1984. ROCE calculation assuming demerger at beginning of year. 329 Schindler Holding, ROCE calculation based on pre-tax profit after interest. 330 Jelmoli, profit is net of tax. 331 Banque Cantonale Vaudoise, parent company accounts. 333 Baloise Insurance, profit is net of tax and is for holding company. 334 Unerg, parent company accounts. 338 Helvetia-Feuer/Unfall, figures are sum of each account. 343 Harpener partial consolidation. Emp=parent company accounts. 345 Baer Holding, market capitalisation figure includes notional value for 105,785 registered shares. Turnover and profit figures are not consolidated and ROCE calculation is based on pre-tax profit as interest is not shown separately. 346 Polly Peck (Holdings), figures prepared in accordance with merger accounting principles following acquisition of Wearwell. ROCE calculated assuming merger effective at beginning of year. 348 Gotthard Bank, parent company accounts. 349 KKB Bank, parent company accounts. 350 Sulzer, loss is after tax and minority interest. ROCE calculation not available since balance sheet is abridged. 360 Great Portland Estates, profit=net revenue on ordinary activities before tax. 361 United Newspapers, turnover and profit figures exclude Link House Group acquired December 27 1984 but Employee figure includes LHG. ROCE calculated assuming merger effective at beginning of year. 367 Casino, parent company accounts. 370 Contigas, parent company accounts. 371 Autopistas del Mare, parent company accounts. ROCE calculated using pre-tax profit after interest. 373 Den Danske Bank, ROCE calculated on pre-tax profit after interest. 379 Allied Irish Banks, Emp=1984. 380 Union Credit Bank, ROCE calculated using pre-tax profit after interest. 385 Kali-Chemie, turnover is for group, profit is for parent company. 387 Industriekreditbank, ROCE calculated using pre-tax profit after interest. 388 Tricentrol, turnover includes oil trading sales of $1,346.1m ($796.0m). Profit is before FRT and corporation tax. 390 Mercury Securities, profit is net of tax. 400 London and Manchester Group, profit is net of tax. 401 Farnell Electronics this year's figures for 53 weeks to February 3 1985. 403 Union Fenosa Financement des Immeubles de Societes, profit is net of tax. 404 Lech Elektrizitatswerke, parent company accounts. 405 Sofina, parent company accounts. 406 Copenhagen Handelsbank, ROCE calculation based on pre-tax profit as interest not shown separately. 408 Dortmunder Union, domestic consolidation. 414 Eridania, parent company accounts. 419 Electrobel, parent company accounts. 424 Nobel Industries, formed through merger between Bofors and Kemma Nobel September 1984. This year's figures include Kemma Nobel from September 1 1984. Previous year's figures are for Bofors. 427 Domez, parent company accounts. 428 Compagnie Francaise de l'Afrique Occidentale, Emp=parent company. 430 Sevillana de Electricidad, parent company accounts. 433 Lahmeyer, parent company accounts. 434 Refuge Group, incorporated October 11 1984 and acquired entire share capital of Refuge Assurance. 437 Britannic Assurance, profit is after transfers to and from revenue accounts and is net of tax. 446 Hambros, profit is before extraordinary items and transfers but after minority interest and net of tax. 445 Pleasurama, this year's figures for 15 months to December 30 1984. 446 Pohjola Group, consolidated figures for Pohjola Insurance Ltd before tax and changes in reserves but after sundry items. 448 Tractionel, parent company accounts. 453 Banco Exterior, parent company accounts. 457 Fermenta, A1 holding November 1984. 455 Caso Group, formerly Computer and Systems Engineering. Figures restated in accordance with merger accounting principles following acquisition of Rixon Inc May 1984. ROCE calculated assuming merger effective at beginning of year. 475 Cobepa, ROCE calculated using pre-tax profit after interest. 477 Kraftwerk Laufenburg, Profit is net of tax. 488 Elektrizitats Gesellschaft Laufenburg, balance sheet too brief to calculate capital employed. 489 Hawley Group, group reorganisation November 1984. New parent company Hawley Group Ltd. ROCE calculated assuming merger with Electro-Protective effective at beginning of year. 494 Havas (Agence), ROCE calculation based on pre-tax figure as interest not shown separately. 496 (Les) Presses de la Cite, Emp=parent company. ROCE calculated using pre-tax profit after interest.

The European top hundred by turnover

Ranking This Last	Company	Turnover $m	Cntry	Sector	Year end
(1)	Royal Dutch/Shell ...	81,391.3	N/UK	51	31/12/84
(2)	British Petroleum	48,369.7	UK	51	31/12/84
(3)	[illegible]	21,027.6	Ita	51	31/12/84
(4)	Unilever NV/plc	20,758.7	N/UK	25	31/12/84
(5)	BAT Industries	19,3[illegible]	UK	26	31/12/84
(6)	Elf Aquitaine	18,09[illegible]	Fra	51	31/12/84
(4)	ENI	17,678.2	Ita	51	31/12/84
(6)	Total	17,044.5	Fra	51	31/12/84
(7)	Veba	16,201.1	Ger	51	31/12/84
(11)	Philips	15,581.3	Net	4	31/12/84
(33)	PTT (France)	15,522.2	Fra	55	31/12/84
(15)	Deutsche Bundespost	15,012.0	Ger	55	31/12/84
(14)	Siemens	14,958.7	Ger	4	30/09/84
(12)	Volkswagen	14,919.5	Ger	9	31/12/84
(13)	Daimler Benz	14,293.5	Ger	9	31/12/84
(16)	Bayer	14,048.0	Ger	42	31/12/84
(17)	Hoechst	13,794.8	Ger	42	31/12/84
(19)	BASF	13,183.6	Ger	42	31/12/84
(18)	Electricity Council	12,729.1	UK	55	31/03/85
(24)	Imperial Chem Inds	12,657.5	UK	42	31/12/84
(23)	Electricité de France	12,650.0	Fra	55	31/12/84
(19)	Renault	12,593.0	Fra	9	31/12/84
(25)	BP/OC	12,242.8	UK	51	31/12/84
(20)	Fiat	12,194.4	Ita	9	31/12/84
(22)	Nestle	12,119.9	Swi	25	31/12/84
(25)	Esso UK	10,886.3	UK	51	31/12/84
(26)	Thyssen	10,587.6	Ger	8	30/09/84
(21)	Volvo	9,832.3	Swe	9	31/12/84
(29)	British Telecom	9,798.9	UK	48	31/03/85
(27)	Peugeot	9,757.8	Fra	9	31/12/84



Ranking This Last	Company	Turnover $m	Cntry	Sector	Year end
31 (30)	Petrofina	9,320.4	Bel	51	31/12/84
32 (31)	Oiag	8,958.5	Aus	11	31/12/84
33 (28)	Deutsche Bundesbahn	8,906.0	Ger	55	31/12/84
34 (32)	British Gas	8,852.1	UK	51	31/03/85
35 (34)	Nederlandse Gasunie	8,804.8	Net	51	31/12/84
36 (33)	RWE	8,736.1	Ger	55	30/06/84
37 (37)	Generale d'Elect	7,940.9	Fra	55	31/12/84
38 (42)	Rio Tinto-Zinc Corp	7,616.6	UK	81	31/12/84
39 (36)	INH	7,570.6	Spa	51	31/12/84
40 (34)	Berisford S. & W.	7,302.1	UK	25	30/09/84

Biggest profit increases (European)

Rank	Company	Cty	Sr	Top 500 Rank	Profit Increase %
1	Fermenta	Swe	42	437	1,600.0
2	Lucas Industries	UK	9	281	1,452.3
3	Pentland Industries	UK	35	461	658.8
4	SKF	Swe	8	205	476.4
5	AEG-Telefunken	Ger	5	192	475.2
6	Volkswagen	Ger	9	33	433.8
7	Ocean Transport & Trading	UK	45	395	298.6
8	Hufvudstaden	Swe	69	238	221.3
9	Rauma Repola	Fin	11	482	221.0
10	Pargesa Holding	Swi	62	241	184.0

Biggest profit decreases (European)

Rank	Company	Cty	Sr	Top 500 Rank	Profit Decrease %
1	Banco Hispano	Spa	62	319	−99.2
2	General Accident	UK	66	70	−94.0
3	Skandia Forsakrin	Swe	66	255	−92.9
4	Royal Insurance	UK	66	46	−88.6
5	Den Danske Bank	Den	62	373	−79.9
6	Hoesch	Ger	8	356	−79.2
7	Copenhagen Handelsbank	Den	62	406	−73.3
8	Nobel Industries	Swe	42	424	−61.7
9	Charter Consolidated	UK	10	377	−55.4
10	Alfa Laval	Swe	6	269	−50.7

Ranking This Last	Company	Turnover $m	Cntry	Sector	Year end
41 (48)	Ruhrkohle	7,022.5	Ger	55	31/12/84
42 (39)	Esso AG	6,937.7	Ger	51	31/12/84
43 (45)	Ciba-Geigy	6,795.7	Swi	42	31/12/84
44 (43)	General Electric Co	6,686.2	UK	5	31/03/85
45 (47)	DSM	6,556.5	Net	42	31/12/84
46 (51)	Grand Metropolitan	6,498.0	UK	22	30/09/84
47 (40)	Saint Gobain	6,468.7	Fra	11	31/12/84
48 (50)	Montedison	6,340.3	Ita	42	31/12/84
49 (41)	Thomson	6,129.9	Fra	5	31/12/84
50 (57)	Bosch, Robert	5,998.2	Ger	5	31/12/84
51 (49)	Krupp, Fried	5,954.6	Ger	8	31/12/84
52 (53)	Imperial Group	5,580.9	UK	36	31/10/84
53 (59)	Rhone-Poulenc	5,484.1	Fra	42	31/12/84
54 (66)	Gaz de France	5,119.5	Fra	51	31/12/84
55 (77)	Neste Group	5,061.9	Fin	51	31/12/84
56 (65)	Ruhrgas	4,837.9	Ger	51	31/12/84
57 (60)	Ford Motor Company	4,804.0	UK	9	31/12/84
58 (55)	SNCF	4,787.4	Fra	55	31/12/84
59 (61)	Akzo	4,784.2	Net	42	31/12/84
60 (64)	British Steel	4,783.6	UK	8	31/03/85
61 (62)	Michelin	4,753.2	Fra	9	31/12/84
62 (84)	Dalgety	4,733.7	UK	25	30/06/84
63 (58)	Mannesmann	4,594.7	Ger	8	31/12/84
64 (69)	Preussag	4,484.0	Ger	11	31/12/84
65 (—)	BTR	4,464.4	UK	10	29/12/84
66 (—)	Haniel, Franz	4,428.5	Ger	11	31/12/84
67 (73)	BMW	4,383.8	Ger	9	31/12/84
68 (68)	Brown Boveri	4,361.2	Swi	4	31/12/84
69 (67)	BL	4,355.4	UK	9	31/12/84
70 (86)	Carrefour	4,309.6	Fra	34	31/12/84
71 (56)	Opel, Adam	4,205.0	Ger	9	31/12/84
72 (—)	Ultramar	4,174.6	UK	51	31/12/84
73 (63)	Ford Werke	4,174.1	Ger	9	31/12/84
74 (81)	Marks and Spencer	4,113.9	UK	34	31/03/85
75 (83)	Post Office	4,113.1	UK	55	31/03/85
76 (85)	Thorn EMI	4,102.9	UK	29	31/03/85
77 (93)	Asea	4,077.5	Swe	6	31/12/84
78 (82)	Allied-Lyons	4,065.0	UK	22	03/03/85
79 (92)	Sacilor	4,059.0	Fra	8	31/12/84
80 (—)	Statoil	4,044.3	Nor	51	31/12/84
81 (90)	Norsk Hydro	4,032.6	Nor	42	31/12/84
82 (80)	Electrolux	3,951.1	Swe	39	31/12/84
83 (75)	Migros	3,931.8	Swi	34	31/12/84
84 (72)	Coop Group	3,890.6	Swe	26	31/12/84
85 (78)	GHH	3,885.7	Ger	6	30/06/84
86 (97)	Tesco Stores (Hldgs)	3,841.7	UK	26	25/02/85
87 (100)	Sainsbury J.	3,839.5	UK	26	23/03/85
88 (—)	Pechiney	3,805.4	Fra	8	31/12/84
89 (76)	Salzgitter	3,784.7	Ger	8	30/09/84
90 (89)	Assoc British Foods	3,752.2	UK	25	31/03/85
91 (95)	Flick Gruppe	3,705.5	Ger	8	31/12/84
92 (88)	IBM Deutschland	3,681.6	Ger	5	31/12/84
93 (—)	Deutsche Texaco	3,659.8	Ger	51	31/12/84
94 (99)	Solvay & Cie	3,637.2	Fra	42	31/12/84
95 (78)	Degussa	3,623.8	Ger	42	30/09/84
96 (74)	AEG-Telefunken	3,596.1	Ger	5	31/12/84
97 (—)	IBM France	3,559.5	Fra	5	31/12/84
98 (87)	Deutsche Mobil	3,554.0	Ger	51	31/12/84
99 (—)	Edeka Zentrale	3,548.8	Ger	34	31/12/84
100 (79)	Karstadt	3,521.4	Ger	34	31/12/84

Strength of insurance composites

SURANCE in the age of the ·ga risk is international and nposite insurance groups ed to operate on a worldwide sis in order to maintain ir position in the market ice.

insurance groups have there- 'e expanded outside their n home country in order to intain this worldwide posi- on and because they have ached the capacity limit in eir home territory.

Composite insurance groups om the UK and Europe have r several years been promi- nt in the top 500. But this ar it is the underlying rength of insurance share ices on the UK and Euro- an stockmarkets that have general sent composite surance groups climbing the nkings.

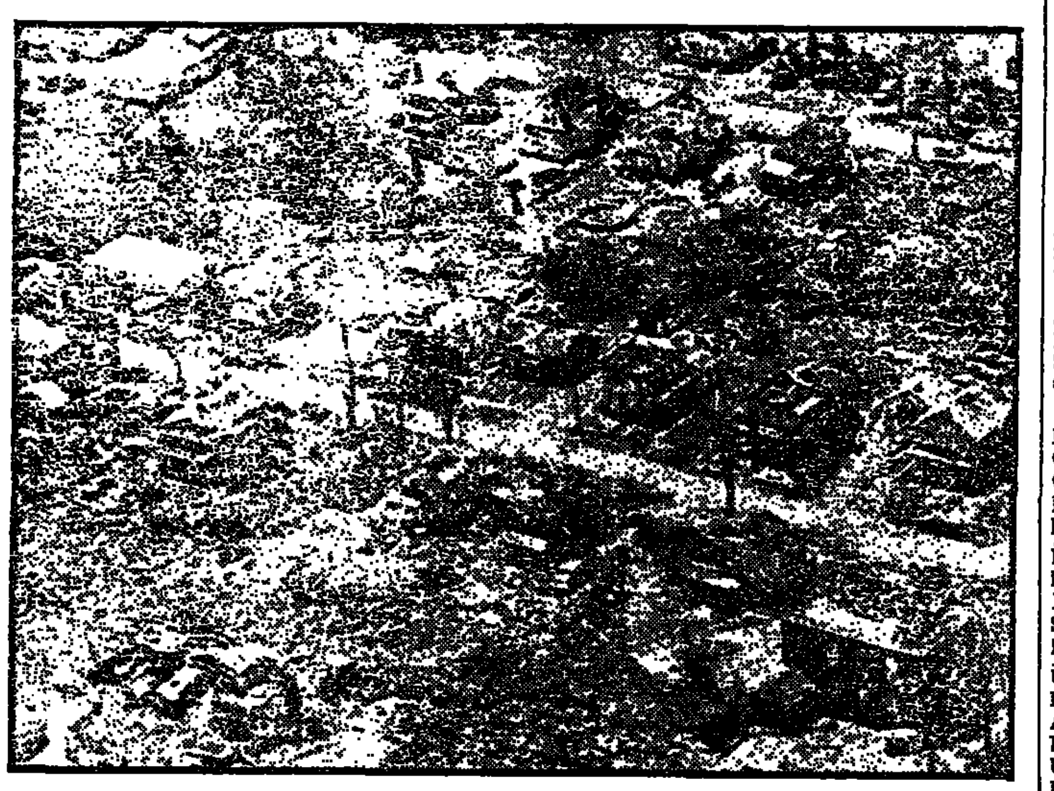
Composite insurance groups orldwide have gone through veral years of declining pro- tability on their general in- urance trading, while at the me time buoyant stockmarkets d falling interest rates have nt asset values soaring so at the composites have very rong balance sheets. This in self would have been sufficient maintain the share prices.

However, over the past 12 onths the insurance groups ave taken strong corrective ction on their non-life business ith substantial premium in- reases and rationalisation of perations, particularly in the .S., the world's largest insur- nce market. This anticipation f a sustainable recovery in eneral insurance profitability as sent insurance share prices limbing steadily on most stock- narkets.

The Capital International In- surance Index has outperformed the Capital International World Index for several months. The rise in share prices on indi- vidual exchanges has been im- pressive.

The Italian stock market has seen an 87 per cent rise in insurance share prices, so not surprisingly Italian insurance groups have shown a good per- formance in the 500 rankings. Fondiaria Vita has climbed 230 places to 208 with a capitalisa- tion of £513.8m and SAI a climb of 61 places to 292 with a capitalisation of £335.5m.

Italy's largest insurance group, Generali Assicuazioni has strengthened its position with a rise of five places in the ranking to 26 and a capitalisa- tion of £3.19bn.



Damage caused by a tornado which this year swept across Ohio and Pennsylvania in the U.S. In the face of such risks, composite insurance groups need to operate on a worldwide basis

Insurance shares on the West German market saw prices rise on average by 53 per cent. This enabled the country's and Europe's largest composite, Allianz Versicherung, with a capitalisation of £5.83bn, to climb from 25th to 10th place.

Into the table for the first time at 30th comes Munchener Feuerversich with a capitalisation of £2.88bn, while the stock market strength saw Wurttemberg Feuerversich climb 126 places to 211 with a capitalisation of £502.7m.

A 36 per cent rise in insurance shares on the Dutch stock market confirmed the position of Nationale-Nederlanden in the top rankings, its capitalisation of £2.18bn resulting in a climb in rankings from 57 to 43.

Aegon, formed in 1983 from the merger of Ennia and AGO, overtook AMEV as the second largest Dutch composite with a capitalisation of £883.3m against £848m for AMEV. Aegon climbed 45 places in the rankings to 117, with AMEV up 26 places at 120.

Insurance shares on the Swiss stock exchange rose 30 per cent resulting in Zurich Insurance with a capitalisation of £2.17bn up eight places to 44, Winterthur Versicherung, capitalised at £1.61bn up 17 places to 58 and Swiss Re, at £1.15bn, up 10 places to 81.

Two smaller Swiss insurance groups, Baloise Insurance and Helvetia-Unfall respectively saw their rankings climb 126 and 96 places to 211 and 333 thanks to strong share performance.

The UK insurance share rise of 24 per cent looks modest by comparison. Nevertheless it enabled most of the major UK composites to consolidate their position in the rankings. Royal Insurance confirmed its position as the UK's largest composite by market capitalisation at £1.96bn and its ranking climbed nine places to 46th. Guardian Royal Exchange at £1.43bn moved up three places to 65th, General Accident at £1.31bn rose eight places in the rankings to 70th and Sun Alliance at £1.13bn one place to 84th.

There were a few casualties in the rankings, the largest being UK's Commercial Union which fell 21 places to 90th with a capitalisation of £1.08bn. Sweden's Skandia Forsakrin dropped 17 places to 255, Belgium's Royal Belge 39 places to 372 and Finland's Pohjola 116 places to 447.

Prospects for the next year look good for composites in general, particularly the UK groups. Analysts think there is still plenty of steam in the recovery of insurance groups that has not been fully discounted in the share prices. Companies are still on the acquisition trail. Allianz has taken a stake in Italy's major group RAS, currently 159 in the rankings, and intends to acquire a majority holding.

Life companies in the top 500 are dominated by UK groups and the strength of the share prices of UK life companies has resulted in them all increasing their rankings and new ones coming into the listings.

Conditions have never been so good for the UK life assurance industry with good new business results to date, strong asset values of the underlying funds and a steady release of profit to shareholders.

Abbey Life, Britain's second largest linked life company, came on the market in June and at a capitalisation of *£810.2m finds itself at 128th in the rankings.*

Britain's largest life group, Prudential Corporation at £2.45bn, rose four places in the rankings to 38th, while Legal and General, Britain's second largest life group, climbed 25 places to 68th with a capitalisation of £1.34bn. Both these groups stand to gain from the pension developments in the UK social security scene.

The climb of 83 places to 321 by Equity and Law, capitalisation £229.4m, and 66 places to 401 by London and Manchester, capitalisation £228.6m, owe as much to speculative hopes of a bid as to the strength of the share price. Sun Life Assurance, which has operated under a strong minority holding by South Africa's Liberty Life, rose 25 places to 180th with a capitalisation of £608.1m.

Two other home service life companies, Britannic Assurance and Refuge Group enter the ranking for the first time at 438 and 435 respectively.

The two non-UK life companies in the ranking, Germany's Victoria Lebens and Italy's Alleanza both showed good growth respectively rising 93 places and 44 places to 62nd and 94th.

Growth prospects for UK life companies are less certain than for composites. New business could well slow down over the next 12 months. Future profitability is likely to continue, but this has already been fully discounted.

Eric Short

European Top 500 biggest pre-tax losses

Rank	Company	Cty	Sr	Top 500 Rank	Pre-Tax Loss $m
1	Michelin	Fra	9	206	(262.9)
2	Peugeot	Fra	9	212	(102.1)
3	Commercial Union	UK	66	90	(93.2)
4	Matra	Fra	4	315	(13.5)
5	Sulzer	Swi	6	350	(7.0)*

* After tax & minority interest

DEPARTURES FROM THE EUROPEAN 500

Company	Cty	Last rank	Sec
Hambro Life Assurance	UK	152	65*
House of Fraser	UK	183	34†
BSR International	UK	189	4
Johnson Matthey	UK	204	8
MFI Furniture Group	UK	213	34‡
Carlo Erba	Ita	230	27
Phoenix Assurance	UK	243	66§
ICL	UK	244	5¶
Kemanobel	Swe	250	42‖
Initial	UK	254	12**
Brooke Bond Group	UK	284	25††
Bibby J. and Son	UK	313	25‡‡
Charterhouse Petroleum	UK	322	51
Sound Diffusion	UK	335	4
Bofors	Swe	356	8§§
Sterling Guarantee Trust	UK	367	70¶¶
Carless Capel and Leonard	UK	369	51
Lesieur	Fra	376	25
Dyckerhoff Zement	Ger	378	2
Grindlays Holdings	UK	382	70‖
Gruppo Lepetit	Ita	391	27
Huhtamaki	Fin	393	25
National Bank of Greece	Gre	394	62
Italcementi	Ita	398	2
Ratos Forvaltning	Swe	399	70
Elkem	Nor	406	8
Sueddt Zucker	Ger	409	25
Iggesunds Bruk	Swe	417	33
United Scientific Holdings	UK	422	6
Hamilton Oil GB	UK	435	51a
Almanij	Bel	436	70
Beghin-Say	Fra	437	25
Unicem	Ita	442	2
Finextel	Fra	445	70
Currys Group	UK	451	34b
Hoboken-Overpelt	Bel	453	8
Kymmene-Stromberg Corp	Fin	454	11
Finnish Sugar Company	Fin	455	25
United Paper Mills	Fin	456	33
Minet Holdings	UK	459	67
Pritchard Services Group	UK	466	12
Simon Engineering	UK	470	6
Christiania Bank	Nor	471	62
Schroders	UK	472	68
Diploma	UK	473	5
Oxford Instruments Group	UK	474	5
GB-Inno-BM	Bel	475	34
Logica	UK	476	5
Gill and Duffus Group	UK	477	91
Electronic Rentals Group	UK	485	29
Partek	Fin	487	2
Cambridge Electronic Inds	UK	490	5
Bois	Net	491	22
Grunzweig and Hartmann	Ger	493	6
Mills and Allen International	UK	494	12
Meyer International	UK	498	2
MK Electric Group	UK	499	4
Atlantic Computers	UK	500	5

* Acquired by BAT Industries. † Acquired by Al Fayed brothers. ‡ Acquired by Associated Dairies. § Acquired by Sun Alliance and London Assurance. ¶ Acquired by STC. ‖ Merger with Bofors now Nobels Industries. ** Acquired by British Electric Traction. †† Acquired by Unilever. ‡‡ Acquired by Barlow Rand. §§ Merger with Kemanobel. ¶¶ Acquired by P & O.

‖ Acquired by ANZ. a Acquired by Hamilton Oil Inc. b Acquired by Dixons Group.

A-Z List of European Top 500

COMPANY	RANK
Aachener Munchener	184
Aar et Tessin	399
Abbey Life	128
Accor	363
AEG	192
Aegon	*117*
AGA	332
AGIV	470
Ahold	335
Air Liquide	47
Akzo	75
Alfa-Laval	269
Algemene Bk N'land	82
Alleanza	94
Allianz Versicherung	10
Allied Colloids	355
Allied Irish Banks	379
Allied-Lyons	48
Alsthom-Atlantique	271
Altana	301
Alusuisse	222
AMEC	431
Amersham Int.	409
Amev	120
Amro Bank	115
Argyll Group	155
Asea	79
Asken	471
Assoc. British Foods	85
Associated Dairies	64
Assoc. Newspapers	278
Astra	143
Atlas Copco	336
Autopistas Del Mare	371
Ausiliare D'Ent'prises	421
Avana Group	342
Babcock International	407
Baden-Wurtt Bank	337
Baer Holding	345
Dail Investissement	392
Baloise Insurance	333
Bancaire	158
Banco Central	170
Banco de Bilbao	233
Banco de Santander	135
Banco de Vizcaya	312
Banco Espanol Cred	172
Banco Exterior	453
Banco Hispano	319
Banco Popular	415
Bank Leu	188
Bank of Ireland	314
Bank of Scotland	187
Bq Bruxelles Lambert	369
Bq Centonale V'doise	331
Barclays	23
Barratt Developments	436
BASF	22
Bass	42
BAT Industries	8
Bayer	19
Bayerische Hypo Bk	71
Bayerische V'sbank	73
Beecham Group	*27*
Beiersdorf	188
Balam Group	378
Bekaert	469
Bell Arthur & Sons	260
Berisford S & W	248
Berliner Kraft Licht	276
BHF Bank	291
BIC	253
BICC	215
Bilorud	254
Blue Circle Industries	139
BMW	49
BOC Group	60
Boliden	429
Bongrain	293
Booker McConnell	237
Boots	54
Bouygues	252
Bowater Industries	328
Bowthorpe Holdings	474
BPB Industries	196

COMPANY	RANK
Britannia Ar. Hldgs.	497
Britannic Assurance	437
British & Com. Ship.	201
British Aerospace	114
BET	110
British Home Stores	*144*
British Land	463
British Petroleum	3
British Printing	302
British Telecom	2
Britoil	69
Brown Boveri	156
Brown Boveri Man	369
BSI	243
BSN Groupe	112
BTR	16
Bunzl	240
Burmah Oil	228
Burton Group	98
Cable & Wireless	28
Cadbury Schweppes	96
Caledonia Invest.	353
Capital & Counties	417
Cardo	270
Carlton Comms.	357
Carrefour	168
Case Group	468
Casino	347
Cement-Roadstone	438
Centrale Le	459
CFAO	421
Chargeurs	323
Charter Consolidated	377
Christian Salvesen	251
Ciba-Geigy	18
Ciga Hotels	420
Ciments Francais	472
CIT Alcatel	386
Club Mediterranee	224
Coalite Group	382
Coats Patons	189
Cobepa	475
Colonia Versicherung	265
Commercial Union	90
Commerzbank	57
C'pagnie Ind. R'nite	440
Consd. Gold Fields	77
Contigas	370
Cont. Gummi-Werke	304
Cookson Group	210
Copenhagen H'sbank	406
Costain Group	282
Courtaulds	157
Credit Fn. De France	207
Credit Suisse	21
Croda International	462
Daimler-Benz	4
Dalgety	259
Dalmine	398
Darty	384
Dawson International	307
De Danske S'rikker	294
De La Rue	246
Debenhams	*169*
Dee Corporation	86
Degussa	150
Delhaize	313
Delta Group	365
Den Danske Bank	373
Den Norske Credit.	480
Deutsche Babcock	364
Deutsche Bank	11
Distillers Company	67
Dixons Group	123
Dortmunder Union	408
Dowty Group	218
Dresdner Bank	53
DRG	468
Dumez	427
Ebes	173
Electra De Viesgo	303
Electrobel	419
Electrocomponents	287
Electrolux	125
Electrowatt	140

COMPANY	RANK
Elekt. Ges L'burg	488
Elf Aquitaine	45
Elsevier-Ndu	273
English China Clays	193
Enterprise Oil	226
Equity Law Life Soc.	*321*
Ericsson LM	78
Eridania	414
Esselte	288
Essilor	286
European Ferries	289
Exco International	191
Farnell Electronics	401
Fecsa	318
Fermenta	457
Ferranti	174
Fiat	36
Fisons	96
Fitch Lovell	465
Flachglas	413
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KLM — BY LAURA RAUN

Earnings almost triple

KLM Royal Dutch Airlines is a national air carrier that is partially state-owned but run profitably as a private enterprise.

The word profitable largely explains why KLM jumped 124 places to number 163 on the FT 500 list as market capitalisation more than doubled to $663.5m from $297m. Earnings nearly tripled from Fl 103m to a record Fl 290m last year, despite red ink in the final quarter.

On the Amsterdam Stock Exchange, the share price doubled to around Fl 60 in the 12 months to the end of June. KLM stock far outpaced the Dutch market, which advanced about 36 per cent during the same period.

As a mixed company, 55 per cent held by the Dutch Government and 45 per cent by private investors, KLM is almost singular in the European airline industry. Most European carriers are either state-owned (often loss-making) or privately held, (usually money making).

KLM benefits from market-oriented management like Mr Sergio Orlandini, the aggressive president-director, as well as national-carrier privileges such as government backing in bargaining for landing rights and promoting tourism.

Mr Orlandini was among the first airline executives to push for deregulation of the European industry, and has put KLM at the forefront of the battle for lower fares and more flexibility in routes and frequencies.

Mr Orlandini has also ensured that his airline operates efficiently enough to profit from such "open skies" policies. The load factor, the number of seats and freight space filled out of the total available, climbed to a record 70 per cent in the year to March 30, 1985. Earnings as a percentage of sales surged last year to 5 per cent, an enviously high level for the industry, as turnover rose 10 per cent to Fl 5.66bn.

KLM launched a novel perpetual bond early this year when it became the first non-bank corporation to offer an undated bond on the international market. The 6¼ per cent Swiss franc bond met a warm initial reception.

In 1983 KLM offered bonds with "A" and "B" equity warrants attached. The "A" warrants were immediately exercisable and the "B" warrants remain in effect until 1988.

Mr Orlandini successfully steered the company through the economic recession of the early 1980s.

A Fl 19m loss in 1975-76 was reversed to a Fl 77m profit the following year and net income has now soared to Fl 290m from an Fl 11m trough in 1980-81. Earnings are expected to jump another 15-20 per cent this year.

The big question for KLM's future is whether the Dutch government will sell its 55 per cent stake to private shareholders, an idea favoured by Mr H. Onno Ruding, the Finance Minister.

A government panel studying the question of privatisation of state holdings has yet to make a recommendation on KLM. But the airline clearly opposes privatisation in the near future because of the potential loss of KLM's character as a national carrier.

VOLKSWAGEN — BY JOHN DAVIES

Sharp rise in exports

MANAGEMENT AND factory workers have been looking hard at possible ways to increase production at Volkswagen's car plants in West Germany. Swept along by demand for the new-generation Golf, VW has been riding high so far this year, despite some problem areas in its world-wide activities.

With its more buoyant performance, VW has attracted strong interest among investors, especially abroad. As a result, its higher share price and increased market capitalisation have taken the company further up the FT's top 500 list. It has moved up from 46th place last year (and 44th in 1983) to rank as number 33, with a market capitalisation of $2.76bn at the end of June.

After two years of heavy losses, VW made a group net profit of DM 228m last year and paid a dividend of DM 5 per share. As its recovery has gathered pace, so too has speculation about a much improved dividend on this year's results. At mid-year the group net profit of DM 281m was already ahead for the full-year outcome for 1984.

The success of the Golf put VW (with its Audi subsidiary) narrowly in front of its rivals in the hard-fought battle for European sales in the first half of this year. The group's European export sales rose 21.6 per cent, compared with the same period last year. Sales were down at home, but the decline was much less than the drop in the West German car market as a whole.

VW survived the market turmoil in West Germany earlier this year much better than at first feared, partly because of the range of diesel-engined vehicles it offers. The uncertainty for months about government plans to tighten exhaust emission controls accelerated the trend towards diesel-fuel cars, which are unaffected by these restrictions.

Once the EEC agreed on a time scale and standards for tighter controls, the whole German market began to surge ahead, with VW's order book also picking up strongly.

Dr Karl Hahn, VW's chief executive, has been looking to worldwide sales of about 2.4m vehicles this year, 12 per cent more than in 1984. In the West German market VW and Audi together had notched up sales of 460,534 in the first eight months of this year, a rise of just 1.1 per cent. But their combined market share was 28.2 per cent, an improvement on the 27.3 per cent share in the same period last year.

TELEFONICA

A lead for electronics industry

UNTIL the privatisation of British Telecom, Spain was an exception on the European scene in having a national telephone company with a majority of the stock in private hands.

Compania Telefonica Nacional de Espana (CTNE, better known as Telefonica), number 40 on the FT list with market capitalisation at the end of June of £2.36bn, has 700,000 shareholders and ambitions of becoming Spain's first multinational enterprise.

In the past year it has both intensified its programme of international joint ventures and launched its shares for the first time on foreign stock exchanges, including London.

Spain's biggest non-oil company by turnover (£1.64bn last year) and its biggest profit-maker (£143m after tax), Telefonica's workforce of 66,800 also now ranks it as the biggest employer, a position formerly held by the State Railway Board, the country's biggest loss-maker.

Founded in 1924 in a bid to sort out the chaos of Spain's telephone concessions, the company started out under the wing of ITT. The Franco regime later bought out the foreign holding and strengthened the company's monopoly.

Present government policy is to reinforce the company's exclusivity over the telephone network while liberalising the terminals end of the business—that is, confirming its monopoly as a carrier but not as owner of the equipment.

Through direct and indirect shareholdings amounting to 47 per cent of the capital, the state maintains effective control although the company proclaims a strict adherence to private management criteria. The chairmanship is a political post, and its present occupant Mr Luis Solana is a prominent member of the ruling Spanish Socialist Workers' Party (on its social-democratic wing) and a brother of Mr Javier Solana, Minister of Culture and Government spokesman.

Since his arrival three years ago, greater emphasis has been placed on Telefonica's role as a locomotive for the electronics industry, with an industrial programme linked closely to the Government's far-reaching national electronics and data-processing plan and based on Telefonica's dominant role as purchaser. Its industrial group, which had 1984 sales of £548m, is 60 per cent geared to supplying Telefonica itself, 30 per cent to other Spanish companies, and 10 per cent to exports.

Interests include joint ventures with ITT, Ericsson and Italy's Telettra.

Two key projects are ready to go ahead with Telefonica as a minority partner: a £140m AT & T venture to design and produce custom-made microchips in Spain, and a new computer and office automation company controlled by Fujitsu of Japan. In addition, Telefonica plans a fibre-glass operation with Corning Glass of the U.S. and has been talking with Philips on a mobile telephone project.

Aiming to boost its self-financing capacity, Telefonica has placed shares in London, Paris and Frankfurt (together worth about £120m, and more than the combined total of all other Spanish shares on foreign stock exchanges). Most recently it placed shares in Tokyo, where it is the first Spanish company, and first European telecommunications company, to be quoted. A New York listing is planned for 1986.

The four foreign placings to date have doubled the share of Telefonica's capital in non-Spanish hands to 13.5 per cent. This leaves some leeway within the 25 per cent limit currently set by law.

The moves were made possible by the company's first "clean" external audit, which enabled it to pass the difficult London hurdle, and by the recent performance of its shares. Telefonica stock rose above its par value in 1984 for the first time in seven years, riding on that year's boom in Spanish stocks. Trading in Telefonica accounted for 7 per cent of total volume on the Madrid exchange.

In late 1984 and early 1985 the company launched two rights isues, bringing its nominal capital up to Pta 360bn (£1.58bn).

Mr Solana sees Telefonica's future as a combination of service company and industrial holding group — but not as a 1980s equivalent of the cumbersome state empire of the Instituto Nacional de Industria (INI). It is planned to enable shareholders to take direct holdings in the industrial subsidiaries, starting with telephone equipment manufacturer Amper.

Telefonica is meanwhile actively searching for new foreign partners to widen its access to the latest technology. "We don't want to miss any train," says Mr Solana.

David White

SOCIETE GENERALE DE SURVEILLANCE — BY WILLIAM DULLFORCE

Confidence is quickly restored

THE swift climb in the market capitalisation of Societe Generale de Surveillance, the Swiss inspection services company, in 1984 was the more remarkable in that in September, amid considerable publicity, it lost an important contract for controlling Nigeria's imports and exports.

Investor confidence was quickly restored when SGS bounced back with new contracts for similar work in Ecuador, Indonesia and Mexico, demonstrating the aggressiveness which over the past decade has turned the Geneva-based concern into the world leader in the highly specialised business of inspection services.

SGS's determination to stay top was demonstrated again in July 1985 when it bought GAB Business Services from UAL Inc. of the U.S. GAB specialises in damage assessment for insurance companies and recorded a turnover of just under $200m last year.

Incorporation of GAB for the last five months will help push SGS's consolidated revenues from last year's SwFr 1.15bn ($520m) to around SwFr 1.5bn in 1985. Mr Andre Chargueraud, the managing director, is reluctant to forecast profits, but is confident that net earnings will exceed last year's SwFr 81m.

Contracts of the Nigerian type, while offering important additions to revenue and profits, in fact make up less than 15 per cent of turnover. SGS breaks down its activities into four main divisions, in each of which it supervises quality and quantity, and offers protection against risk.

Its original business was in the grains trade. Today it covers more than 250 agricultural products, supervising handling and shipment, checking cleanliness, sampling quality and controlling weights.

The industrial and consumer products division provides on-site supervision of industrial projects, tests materials and inspects factories. A speciality is the "non-destructive testing" of nuclear and other power stations, oil pipelines and offshore platforms. Consumer products inspected include textiles and clothing, electronic equipment, toys and household appliances.

Supervision of bulk transport is the main activity of the natural resources division which covers petroleum products, petrochemicals, coal and minerals, chemicals and metallurgical products. Last year SGS introduced an automatic crude oil sampler now being used on the products of several major oil companies.

The newest, fast expanding division offers services to banks and insurance companies such a auditing, damage assessment, asset evaluation and stock certification.

Geographical diversity buttresses SGS's claim to leadership in its field. Last year it was operating 118 laboratories spread across the five continents and, after acquiring GAB it employs some 18,000 people, of whom only about 300 work at the head office in Geneva.

Growth has been particularly fast over the last decade, in fact, during Mr Chargueraud's 12-year tenure. Between 1979 and 1984 consolidated revenue has increased at an annual average of over 18 per cent. Operating profit has climbed at a rate of just under 17 per cent a year and earnings per share have moved from SwFr 86 in 1979 to SwFr 216 last year.

Some one-third of the company's stock is in registered shares, held by the 100 or so descendants of the funding families, management staff, and the largest single shareholder, Union Bank of Switzerland, which has about 10 per cent.

The non-voting "bons de jouissance" without nominal value are traded on the Zurich and Geneva exchanges, and in March this year 20,000 registered shares were offered to the public at a price of SwFr 3,760.

A dominating feature of SGS's growth has been its expansion in the U.S. Sales in North America accounted for between 3 and 4 per cent of consolidated turnover at the beginning of the 1970s. Last year they were close to 30 per cent and with the GAB takeover they will reach between 35 and 40 per cent in 1986, depending on the dollar rate.

In looking for weaknesses, analysts draw attention to SGS's sensitivity to the dollar/franc exchange rate and to its dependence on fluctuations in the volume of world trade.

Mr Chargueraud points out that all the U.S. acquisitions have been paid for out of cash flow, and the diversification of SGS's business, both geographically and in regard to products, insulates it against normal trade fluctuations if not against severe disruptions.

PIRELLI — BY ALAN FRIEDMAN

Emphasis on improved balance sheet

PIRELLI, the Milan-based tyre and cables group, is Italy's fourth largest private sector group in turnover terms (after Fiat, Montedison and Ferruzzi) and one of the country's handful of genuine multinationals.

With L6,800bn ($3.8bn) of sales last year, Pirelli has the kind of financial clout which makes it one of the key members of Italy's financial elite. But its chairman—Leopoldo Pirelli, whose family still maintains effective shareholding control of the group—has a low-key approach to the exercise of that financial power. Style is less visible than that of, say, Gianni Agnelli, the Fiat chairman whose pronouncements on a wide range of issues are followed by the Italian press.

In the past couple of years the Pirelli group has been concentrating its energies on improving its balance sheet and on making a series of relatively small, but selective acquisitions at home and in the U.S.

The result is a stronger industrial group which derives 45 per cent of its revenues from tyres, 43 per cent from cables, and the balance from diversified products ranging from car components such as transmission belts and leisure and paper products.

Among the improvements is the return to profit of Industrie Pirelli, the Italian operating subsidiary, and the elimination of losses in various cable subsidiaries except for those in Spain and the U.S., both of which are headed for break-even.

In financial terms Pirelli has recently launched L500bn of convertible bonds, of which there were Eurodollar, Euro-Deutsche Mark and Eurosterling bonds convertible into Pirelli shares. These bonds were designed to help restructure the group's roughly $1.2bn of aggregate group debt, and sold extremely well in the Euro-market.

Foreign investors have also been buying into Pirelli Spa, the Milan-based holding company which has 46 per cent of the group's operating companies in 16 countries. Whereas two years ago foreign investors held perhaps two per cent of Pirelli Spa shares, they are now believed to have as much as ten per cent of the equity.

On the acquisition front, Pirelli has taken over the Ceat tyre trade mark at home, picking up a name with ten per cent of the domestic market share. Meanwhile, Pirelli has been buying into fibre optic cable companies involved in data transmission.

In addition, Pirelli is putting the finishing touches on the acquisition from Bayer of West Germany of its Metzeler Kautschuk tyre and rubber products subsidiary. This purchase, which should cost between $30m and $50m, will increase Pirelli group turnover by around ten per cent.

Examining Pirelli accounts is not an easy task because the group does not consolidate them—instead it provides an aggregate result. This is because of the complex shareholding structure of the group: 46 per cent of operating companies are owned by Pirelli Spa in Italy, another 46 per cent by Societe Internationale Pirelli SA in Basle and a final eight per cent by Pirelli Societe Generale SA, also in Switzerland. On an aggregate basis the group doubled net profit to $72.2m last year and made $39.4m in the six months to last June 30.

Pirelli Spa and Societe Internationale Pirelli SA, in turn, are partly controlled by Pirelli and Company, a Milan-based holding company which recently announced plans to merge with Caboto Milano Centrale, an important finance and property company. This exercise brings to Pirelli and Company one of the biggest placers of Italian gilts and also a group with extensive property holdings.

Equally important, it creates a strong financial alliance between Pirelli and Company and Caboto.

Electronics sector collapse undermined UK market

THE stock market has certainly had its ups and down over the last twelve months.

Everything appeared to be going well enough until June. Investors had shrugged off worries about high real interest rates, the uncertain oil price and the antics of sterling, and the All-Share Index had climbed by some 100 points in a little more than eight months.

The one exception to this generally rosy picture was the electronics sector where prices were locked into a kamikaze-styled plunge, triggered by a collapse in demand from the small computer market.

Indeed, of the top 20 worst performers in the UK top 500, half are either electronic or electric companies.

News emanating from the electronics sector got worse, it was not just the specialist computer companies whose problems had by then been well and truely aired, but even the major groups appeared to be unable to report anything but disappointments. The one-time glamour sector was undermining the whole market, while the amazing zeal the corporate sector was displaying for rights issues was helping it on its way down under the weight of funding pressures.

In the first six months of 1985 rights issues raised £3.2bn, compared to less than £500m in the first six months of 1984. It was the block-busting £520m rights issue from Hanson Trust in June, the biggest ever rights call, apart from BP's £624m in 1981, which provided the final blow. In a little over three weeks the market fell by 8 per cent.

Since then, of course, the market has regained much of its nerve. Rights issues fell away to a trickle after Hanson and, while the relative strength of sterling has badly dented profit contributions from overseas subsidiaries, corporate profits will still increase by around 10 per cent in 1985, against 23 per cent in 1984.

Dividend growth has been strong, for the year an overall advance of 15 per cent seems likely and so, with the help of frothy bid speculation, the market clawed its way back to high ground on the fundamentals. The All-Share Index today is around a fifth higher than this time last year.

Apart from the excesses of rights issues, the past year has seen some sizeable new companies joining the stock market. British Telecom made its debut in November with an offer of 3bn shares at 130p each. Not surprisingly the utility has shot to the top of the UK rankings overtaking the big oil groups, BP and Shell.

Other issues of size included Hillsdown in January with an offer for sale by tender valuing the group at £189m, Abbey Life with an issue of £243m valuing the group at £600m and the sale of 20 per cent of Christian Salvesen putting a price tag of over £310m on the business.

The number of new arrivals, however, could not compensate for the wave of bids which has caused a large number of major groups to disappear from the list of quoted companies. The names are too numerous to mention, but some of the largest deals include Unilever's purchase of Brooke Bond for £389m, STC's acquisition of ICL for £410m, Dixons' £250m for Currys' BAT's £663m for Hambro Life (now Allied Dunbar), and the Al Fayed's £430m for House of Fraser.

Ranking with the above has been Associated Dairies' purchase of MFI for £560m, although this could be better described as a merger. This deal, and many of the others, highlights the bustling activity within the stores sector — one of the best performing areas of the stock market in 1985.

The stores sector has advanced by around a third over the last year, a trend which is borne out in the UK 500 rankings. Retailing companies account for a third of those in the top twenty, as judged by the number of places climbed.

The change of attitude towards the mail order sector can easily be spotted. Grattan has risen by over 140 places, one of the year's top climbers, Freemans has gone up the league table by 90 places and even Empire, the profits performance of which lags behind its two cousins, has advanced by 67.

Clearly leading the field is the aggressively managed Ward White Group with an ascent of 160 places from its position of 323 in last year's table.

Ward White, run by Philip Birch, is a relative newcomer to the retailing scene. The group's roots are in footwear manufacture. Until 1980 all it sported in terms of stores were 90 or so modestly performing shoe shops, a natural diversification from making the footwear. Philip Birch's real taste for retailing came in that year with the purchase of Childs in the U.S.

His major coup in 1984 was the acquisition of Halfords, the motor accessories and bicycle group. Ward White narrowly missed getting hold of Foster Brothers, the clothing store operation, earlier this year, having been pipped at the post by a better offer from Sears. But recently it has won agreement with its £18m bid for Maynards, the main attraction of which is the Zodiac Toys chain.

Carlton Communications is not far behind Ward White with a jump of 155 places to 157 in the list. Carlton is a rapidly growing video technology and communications group run by two brothers, Michael and David Green, who reversed their company into the USM quoted tip-sheet operation Fleet Street Letter in 1983.

Solid organic growth by Carlton and some shrewd acquisitions have been recognised in the City by a strongly rising share price, which is not far from having doubled this year, and has risen eight-fold since Carlton reversed into FSL less than three years ago. A few weeks ago it launched an ambitious agreed £80m bid for Thames Television, jointly owned by BET and Thorn EMI, but the Independent Broadcasting Authority stepped in to veto the deal.

Not surprisingly the electricals and electronics groups are well represented among the year's losers in terms of sliding down the list. While the market has risen by a fifth over the last year the electronics sector has fallen by a third from its November 1984 peak, as reflected by its showing in the year's worst performers.

Second line oil stocks are also fairly well represented with four in the "top" 20. The sector itself, which is understandably dominated by the big boys, has been one of the duller performers of 1985.

Dubious place of honour for having fallen the most over the last 12 months belongs to BSR, a group whose name was once synonomous with record players. In its heyday BSR was churning out 250,000 players a week, though last March it finally withdrew from that activity altogether with the announcement that production of record changers at its Stourbridge factory would be phased out.

It was not the demise of its once famous activity that sent BSR's share price into a tail-spin over the last year but the collapse in demand from small computer makers. Twice over the last year Acorn has been rescued and its problems have blown a fuse at BSR's electronics operation.

In August BSR's interim figures showed an operating loss of £1.6m from electronics against a comparable £10.5m profit leaving the pre-tax £3.5m in the red against a profit of £8.5m. The bottom of the cycle may be past but it takes a while to rebuild confidence in a share that has come all the way down from over 300p in 1984 to 40p at one point earlier this year.

Elsewhere in the list of losers further evidence of the computer debacle can be found. A B Electronic, another victim of Acorn's problems, fell 118 places. But one fall which looks anomalous is the 66 place slide by Amstrad. Where others have failed Alan Sugar's company is making considerable profit from selling computers and word processors.

Not surprisingly the list is peppered with groups which have faced particular problems such as Johnson Matthey, Westland, Sound Diffusion and Logica. And one whose presence could not have been foreseen a year ago is SR Gent, a Marks and Spencer supplier floated on the stock market in a blaze of publicity little more than two years ago.

Gent was caught out by M & S's failure to crack the ladies fashion market and costly changes to designs played havoc with overheads. Profits dived from over £6m to £1m in the year to last June and borrowings have soared from 16 per cent of shareholders' funds to 59 per cent. If there is a consolation for Gent shareholders faced with a long haul towards recovery, it is that the price is unlikely to fall much further. Alhough if it does Gent might slip out of the 500 altogether—after last year's 176 place slide, it now stands at 490.

Terry Garrett

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Ranking This	Last	Company	Market cap. £m	Sector	Turnover Ranking	Turnover this year £m	Turnover last year £m	% change	Profit this year £m	Profit last year £m	% change	ROCE	Number of employees	Year end
1	(—)	British Telecom	[illegible]											
2	(1)	British Petroleum	[illegible]											
3	(2)	Shell Transport and Trading	[illegible]											
4	(4)	Imperial Chemical Industries	[illegible]											
5	(5)	BAT Industries	[illegible]											
6	(6)	Glaxo Holdings	[illegible]											
7	(3)	General Electric	[illegible]											
8	(9)	BTR	[illegible]											
9	(7)	Marks and Spencer	[illegible]											
10	(13)	Barclays	[illegible]											
11	(16)	Hanson Trust	[illegible]											
12	(10)	Beecham Group	[illegible]											
13	(20)	National Westminster Bank	[illegible]											
14	(15)	Cable and Wireless	[illegible]											
15	(19)	Grand Metropolitan	[illegible]											
16	(32)	Sainsbury J.	[illegible]											
17	(21)	Prudential Corporation	[illegible]											
18	(17)	Great Universal Stores	[illegible]											
19	(18)	Unilever	[illegible]											
20	(11)	Rio Tinto-Zinc Corporation	[illegible]											
21	(23)	Bass	[illegible]											
22	(30)	Royal Insurance	[illegible]											
23	(29)	Allied-Lyons	[illegible]											
24	(22)	Imperial Group	[illegible]											
25	(32)	Lloyds Bank	[illegible]											
26	(25)	Boots	[illegible]											
27	(12)	Land Securities Invest Trust	[illegible]											
28	(36)	BOC Group	[illegible]											
29	(50)	Trafalgar House	[illegible]											
30	(28)	Associated Dairies	[illegible]											
31	(37)	Guardian Royal Exchange	[illegible]											
32	(34)	Sears	[illegible]											
33	(27)	Distillers Company	[illegible]											
34	(48)	Legal and General Assurance	[illegible]											
35	(26)	Britoil	1,041.8	51	63	1,335.5	1,201.3	11.1	689.1	586.2	17.3	60.0	2,721	31.12.84*
36	(41)	General Accident	1,022.3	66	—	NR	NR	—	3.9	65.6	−94.0	NR	9,347	31.12.84
37	(39)	Trust House Forte	997.8	29	66	1,148.6	1,012.0	13.4	105.2	82.1	28.1	14.1	55,900	31.10.84*
38	(56)	Tesco Stores (Holdings)	976.0	28	17	3,000.4	2,594.5	15.6	81.3	67.4	20.6	20.1	42,020	23.2.85
39	(47)	Reuters	967.1	32	160	313.0	242.6	29.0	74.3	55.3	34.3	57.9	3,733	31.12.84
40	(33)	Consolidated Gold Fields	956.6	81	86	845.0	760.4	11.1	105.0	89.7	17.0	14.6	12,679	30.6.84
41	(14)	Plessey	899.1	5	51	1,415.7	1,252.4	13.0	163.7	176.1	−7.0	24.3	37,533	29.3.85
42	(43)	Sun Alliance and London Ins....	883.5	66	—	NR	NR	—	47.6	73.4	−35.1	NR	12,879	31.12.84*
43	(49)	Associated British Foods	870.1	25	19	2,930.6	2,764.7	6.0	132.3	126.7	4.4	15.7	77,273	31.3.85
44	(109)	Dee Corporation	859.1	26	21	2,434.1	1,387.0	75.4	64.3	28.3	127.2	43.5	43,240	27.4.85
45	(45)	Midland Bank	857.6	62	—	NR	NR	—	135.0	225.0	−40.0	8.6†	67,065	31.12.84
46	(55)	Tarmac	847.6	2	56	1,276.6	1,123.5	13.6	109.8	89.6	22.3	34.5	24,264	31.12.84
47	(38)	Commercial Union	841.8	66	—	NR	NR	—	(72.8)	9.3	—	NR	6,743	31.12.84*
48	(79)	P and O Steam Navigation	839.6	45	50	1,434.4	1,308.6	9.6	69.6	56.7	22.7	11.7	20,948	31.12.84
49	(52)	Whitbread	828.6	22	49	1,444.0	1,185.7	21.7	110.1	95.1	15.7	12.7	31,446	2.3.85
50	(24)	Racal Electronics	821.4	5	71	1,107.0	815.7	35.7	132.3	119.2	10.9	28.0	25,220	31.3.85
51	(94)	Fisons	806.5	42	120	506.0	279.2	81.2	48.3	31.2	54.8	25.6	8,634	31.12.84
52	(40)	Hawker Siddeley Group	798.1	6	46	1,600.0	1,457.0	9.8	151.5	137.5	10.1	14.5	41,500	31.12.84
53	(58)	Cadbury Schweppes	792.6	25	34	2,016.2	1,702.8	18.4	124.0	106.9	15.9	26.0	36,455	29.12.84
54	(71)	Burton Group	782.3	34	133	415.9	299.2	39.0	56.4	39.1	44.2	22.6	12,160	1.9.84
55	(60)	Sedgwick Group	782.0	67	—	NR	NR	—	85.5	80.1	6.7	41.3	6,320	31.12.84
56	(35)	Thorn EMI	760.6	29	14	3,204.4	2,820.9	13.6	108.3	156.8	−30.9	14.4	90,327	31.3.85
57	(53)	Reckitt and Colman	757.5	27	69	1,124.4	981.0	14.6	106.4	88.8	19.8	31.6	34,800	31.12.84
58	(44)	Standard Chartered	741.7	62	—	NR	NR	—	290.3	268.1	8.2	28.6†	5,131	31.12.84*
59	(31)	STC	731.8	5	36	1,986.7	1,767.3	11.2	140.8	138.3	1.8	27.9	62,218	31.12.84*
60	(65)	Royal Bank of Scotland	724.7	62	—	NR	NR	—	131.3	95.5	37.4	20.1†	16,000	30.9.84
61	(64)	BET	719.3	11	61	1,197.6	1,074.4	11.4	103.5	85.7	20.7	20.9	45,233	31.3.85
62	(69)	Smith and Nephew Associates	714.6	27	147	374.1	314.0	19.1	55.5	44.6	24.4	30.0	11,636	29.12.84
63	(42)	British Aerospace	700.1	6	20	2,467.9	2,300.3	7.2	120.2	82.3	46.0	12.1	75,998	31.12.84
64	(63)	Reed International	698.8	33	29	2,115.2	2,043.0	3.5	107.5	96.4	11.5	17.5	45,200	31.3.85
65	(66)	United Biscuits	670.3	25	43	1,659.5	1,356.7	22.3	87.2	83.3	4.6	22.3	41,131	29.12.84*
66	(170)	Dixons Group	651.8	34	101	606.7	350.8	72.9	39.6	20.5	93.1	15.5‡	7,581	27.4.85*
67	(75)	Rank Organisation	638.3	29	93	724.7	742.9	−2.4	105.3	69.3	51.9	16.9	17,780	31.10.84
68	(—)	Abbey Life	632.8	65	—	NR	NR	—	9.1	NA	—	NR	2,119	31.12.84*
69	(61)	Hammerson Property	627.8	69	—	NR	NR	—	33.4	26.9	24.1	8.4	318	31.12.84*
70	(68)	Pearson	627.4	11	87	843.2	730.4	15.4	99.4	77.4	28.4	20.5	22,934	31.12.84
71	(106)	Woolworth Holdings	617.1	34	64	1,166.1	1,268.6	−8.0	106.8	56.5	87.2	17.8	52,667	2.2.85*
72	(76)	Rowntree Mackintosh	606.4	25	65	1,156.5	951.9	21.4	74.5	61.2	21.7	19.4	32,400	29.12.84
73	(59)	Blue Circle Industries	586.2	2	81	870.3	906.5	−3.9	113.2	109.5	3.3	10.9	18,598	31.12.84
74	(67)	Pilkington Brothers	580.7	2	59	1,226.9	1,214.4	1.0	116.0	88.3	31.3	8.7	44,000	31.3.85
75	(77)	British Home Stores	577.6	34	112	550.4	494.4	11.3	61.0	55.2	10.5	24.1	24,354	31.3.85
76	(62)	Redland	553.2	2	77	954.8	900.3	6.0	108.2	93.8	15.3	23.8	11,953	30.3.85§
77	(54)	MEPC	551.4	69	—	NR	NR	—	45.2	40.4	11.8	6.9	735	30.9.84
78	(46)	Ultramar	545.9	51	13	3,260.4	2,057.1	58.4	284.9	156.0	82.6	35.6	4,016	31.12.84
79	(107)	Argyll Group	544.3	26	42	1,677.0	1,488.3	12.6	53.1	40.1	32.4	33.2	36,800	30.3.85
80	(70)	Courtaulds	531.1	35	28	2,151.9	2,038.1	5.5	128.2	117.8	8.8	20.1	70,000	31.3.85
81	(91)	Willis Faber	526.5	67	—	NR	NR	—	47.0	38.3	22.7	42.8	3,321	31.12.84
82	(81)	Guest, Keen and Nettlefolds ...	525.7	9	27	2,160.6	1,974.5	9.4	120.2	88.1	36.4	15.9	54,903	31.12.84
83	(82)	Northern Foods	505.9	25	56	1,272.4	1,302.0	−2.2	55.4	53.3	3.9	20.6	22,264	31.3.85*
84	(124)	Debenhams	501.9	34	92	728.8	683.8	6.6	40.7	32.7	24.4	13.2	17,435	2.2.85
85	(57)	Ferranti	494.9	5	107	567.9	451.7	25.7	46.0	38.8	18.5	28.2	20,464	31.3.85
86	(121)	Guinness	494.4	22	79	923.7	872.4	5.8	70.4	58.8	19.7	21.1	11,216	30.9.84
87	(73)	Harrisons and Crosfield	490.9	91	54	1,300.4	1,011.8	28.5	83.2	56.6	46.9	17.0	24,650	31.12.84
88	(—)	Jaguar	478.8	9	99	634.1	472.6	34.1	91.5	50.0	83.0	69.9‡	9,662	31.12.84*
89	(96)	Sun Life Assurance Society ...	475.0	66	—	NR	NR	—	12.0	10.0	20.0	NR	2,377	31.12.84
90	(114)	Bank of Scotland	449.5	62	—	NR	NR	—	80.4	59.3	35.5	30.5†	9,952	28.2.85
91	(102)	Coats Patons	442.7	35	73	1,076.0	888.0	21.1	109.8	87.0	26.2	23.6	42,942	31.12.84
92	(92)	Exco International	442.4	70	192	210.7	84.1	150.5	80.7	32.5	148.3	64.5	1,749	31.12.84
93	(84)	English China Clays	441.9	10	103	604.2	490.2	23.2	63.8	46.5	37.2	18.0	12,440	30.9.84
94	(89)	Lonrho	440.1	91	23	2,367.0	2,356.0	0.4	135.4	113.2	19.6	16.7	148,394	30.9.84
95	(61)	BPB Industries	433.5	2	108	564.3	528.1	6.8	78.6	79.7	−1.3	26.3	10,610	31.3.85
96	(86)	Ladbroke Group	432.5	29	70	1,115.9	846.9	31.7	50.2	41.8	20.0	14.5	18,479	1.1.85
97	(80)	Imperial Cont'l Gas Assoc ...	426.7	51	97	649.9	546.0	19.0	80.0	50.0	60.0	16.8	10,628	31.3.85
98	(125)	Granada Group	424.9	29	98	634.2	521.1	21.7	53.8	43.5	23.6	16.3	15,556	29.9.84
99	(138)	Ranks Hovis McDougall	420.0	25	58	1,230.4	1,636.9	−24.8	51.1	44.1	15.8	14.7	37,973	1.9.84*
100	(58)	British and Commonwealth Ship	418.7	45	145	376.5	350.3	7.4	66.2	58.5	13.1	17.9	9,404	31.12.84
101	(120)	Pearl Assurance	415.1	65	—	NR	NR	—	14.6	18.1	−19.3	NR	8,795	31.12.84*
102	(83)	Rothschild J	414.4	7/	—	NR	NR	—	70.1	NA	—	10.4‡	6,332	31.3.85*
103	(87)	Scottish and Newcastle Brews	399.5	22	94	707.2	692.5	2.1	65.2	55.2	18.1	15.1	21,064	28.4.85
104	(179)	Cookson Group	394.9	10	115	535.0	330.2	62.0	55.8	21.7	157.1	23.8	6,325	31.12.84
105	(119)	Smiths Industries	389.3	6	139	388.7	380.7	2.1	36.2	26.8	35.0	20.0	10,864	4.8.84*
106	(78)	BICC	386.1	4	35	1,986.1	1,778.4	11.6	90.0	82.0	9.7	22.0	48,491	31.12.84
107	(101)	Habitat Mothercare	385.0	34	127	446.7	375.4	18.9	36.5	30.6	19.2	27.7	10,959	31.3.85
108	(104)	Laporte Industries	382.4	42	182	241.8	191.8	26.0	47.5	30.2	57.2	33.2	3,897	30.12.84
109	(105)	Dowty Group	377.1	6	125	462.7	402.5	14.9	44.2	36.5	21.0	17.1	15,373	31.12.84
110	(117)	Unigate	374.5	25	38	1,932.2	1,768.2	9.3	63.6	57.1	11.3	18.5	37,100	31.3.85
111	(139)	Smith W.H. and Son	372.5	34	74	1,067.2	1,290.2	—	43.1	43.4	—	23.2	22,062	1.6.85*
112	(108)	Rothmans International	370.2	36	45	1,604.0	1,610.7	6.1	121.9	151.2	−19.3	15.6	23,421	31.3.85
113	(—)	Enterprise Oil	354.0	51	169	266.7	142.5	—	138.5	83.2	—	46.4	47	31.12.84*
114	(129)	Burmah Oil	348.4	51	41	1,720.5	1,578.9	8.9	70.0	64.9	7.8	16.0	16,449	31.12.84*
115	(148)	Saatchi and Saatchi	346.8	12	84	855.4	603.2	41.8	20.0	11.2	78.5	60.5‡	3,748	30.9.84
116	(127)	Metal Box	337.0	33	67	1,130.1	1,263.1	−10.5	68.1	70.1	−2.8	19.0	30,306	31.3.85
117	(133)	Booker McConnell	335.5	11	72	1,096.9	1,032.0	6.2	36.8	25.1	46.6	26.2	13,568	31.12.84
118	(184)	Bunzl	327.8	33	83	857.2	540.6	58.5	78.9	53.0	48.8	14.9	47,735	31.12.84
119	(113)	Inchcape	324.7	91	31	2,086.0	1,741.9	19.7	46.4	37.4	24.0	21.8	11,020	31.3.85
120	(130)	De La Rue	323.6	12	164	337.0	271.8	23.9	33.6	20.2	66.3	10.1	327	31.12.84
121	(103)	Slough Estates	320.8	69	—	NR	NR	—	80.2	55.6	44.2	18.7	9,182	30.9.84
122	(90)	Berisford S and W	319.7	25	7	5,703.0	4,252.6	34.1	38.2	45.0	−15.1	8.8	25,000	31.12.84
123	(97)	Wimpey (George)	318.8	3	48	1,446.0	1,393.0	3.8	33.4	26.2	27.4	23.7	5,386	31.3.85*
124	(—)	Christian Salvesen	315.1	25	174	256.4	210.8	21.6	69.2	57.3	20.7	20.3	11,883	29.9.84
125	(128)	Tate and Lyle	314.2	25	40	1,721.9	1,783.7	−3.4	81.3	71.6	13.5	23.3	17,089	31.12.84
126	(93)	RMC Group	310.6	2	63	1,174.9	1,048.5	12.0	67.0	52.5	27.6	18.9	20,174	30.6.84
127	(99)	Dalgety	308.8	26	11	3,701.0	2,842.0	30.2	35.2	31.3	12.4	23.4	1,989	30.6.84
128	(149)	Bell (Arthur) and Sons	308.1	22	173	256.7	246.7	4.0	27.3	25.6	6.6	34.6	6,720	24.12.84
129	(131)	Harris Queensway Group	300.5	34	149	370.4	225.4	64.3	113.1	89.9	25.8	29.2	258	31.12.84
130	(118)	London and Scottish Marine Oil	293.4	51	175	253.4	215.5	17.6	31.8	27.4	16.0	37.5	5,694	25.8.84
131	(132)	Kwik Save Discount Group ...	279.9	26	100	617.0	535.4	15.2	24.8	20.6	20.3	45.3	7,436	31.12.84
132	(126)	Rentokil Group	278.4	12	233	151.4	125.1	21.0	21.7	18.5	31.5	18.2	11,118	30.9.84
133	(178)	Associated Newspapers	276.5	32	151	357.8	295.4	21.1	42.5	35.9	18.3	11.5	11,130	31.12.84
134	(156)	Taylor Woodrow	276.4	3	86	674.6	577.2	16.8	18.9	11.5	64.3	16.4	14,069	31.12.84*
135	(—)	Hillsdown Holdings	276.2	25	75	983.2	569.7	72.5	32.8	2.1	1,452.3	7.8	65,485	31.7.84
136	(161)	Lucas Industries	275.7	9	52	1,397.1	1,216.8	14.8	54.3	46.4	17.0	18.4	4,715	31.12.84*
137	(144)	Costain Group	275.2	3	86	848.0	723.0	17.0	30.3	21.7	39.6	NR	1,121	31.12.84*
138	(142)	Kleinwort Benson Lonsdale ...	272.3	68	—	NR	NR	—	29.6	22.2	33.3	65.8	1,926	31.3.85
139	(112)	Electrocomponents	[illegible]											
140	(111)	European Ferries	[illegible]											
141	(157)	Stock Conversion	[illegible]											
142	(152)	Hill Samuel Group	[illegible]											
143	(205)	Hepworth J and Son	[illegible]											
144	(151)	IMI	[illegible]											
145	(—)	British Printing and Comm Corp	[illegible]											
146	(156)	Dawson International	245.3	35	171	265.6	179.2	48.2	35.1	25.3	38.7	33.3	9,112	31.3.85
147	(175)	Vickers	244.8	6	116	528.8	655.2	−19.2	30.8	19.5	57.9	12.8	15,403	31.12.84
148	(169)	Fleet Holdings	243.1	32	157	366.6	324.5	12.9	28.5	22.2	28.3	18.2	8,094	30.6.85§
149	(122)	Magnet and Southerns	236.2	2	188	219.9	194.0	13.3	28.2	32.1	−12.1	16.2	5,310	31.3.85
150	(176)	Equity and Law Life Ass Soc	233.9	65	—	NR	NR	—	5.6	4.5	24.4	NR	1,621	31.12.84*
151	(72)	Bowater Industries	226.9	33	57	1,266.4	1,078.8	17.3	35.7	27.6	29.3	15.1	25,200	31.12.84*
152	(172)	Savoy Hotel	213.4	29	336	51.8	43.3	19.6	8.1	4.4	84.0	26.9	2,724	31.12.84
153	(163)	Avana Group	212.7	25	204	193.6	178.1	8.7	18.9	16.7	13.1	30.0	4,840	30.3.85
154	(165)	Polly Peck International	211.1	91	239	137.2	84.2	62.9	50.6	30.0	68.6	85.9	887	1.9.84*
155	(173)	Caledonia Investments	206.2	70	393	9.5	9.6	−1.0	6.6	5.9	11.8	3.3	278	31.3.85
156	(141)	Allied Colloids Group	204.9	42	273	102.1	82.7	23.4	19.3	18.2	6.0	41.9	1,497	31.3.85
157	(312)	Carlton Communications	203.2	29	378	21.6	15.3	41.1	5.5	3.5	57.1	54.7	404	30.9.84§
158	(140)	Great Portland Estates	200.1	69	—	NR	NR	—	16.8	15.0	12.0	6.1	NA	31.3.85*
159	(220)	United Newspapers	199.6	32	222	162.7	113.1	43.8	18.7	8.9	110.1	36.3	6,566	31.12.84*
160	(187)	Coalite Group	198.6	42	123	466.8	441.8	5.6	33.5	32.5	3.0	24.7	5,935	31.3.85
161	(158)	Nottingham Manufacturing ...	196.2	35	187	222.1	206.7	7.4	21.5	24.6	−12.6	16.4	13,486	31.12.84
162	(203)	Delta Group	194.8	6	109	590.2	512.8	15.0	45.7	31.8	43.7	21.4	17,650	29.12.84
163	(323)	Ward White Group	194.2	34	179	244.6	179.4	36.3	14.3	8.8	62.5	27.0	7,639	31.1.85
164	(171)	Greenall Whitley and Co	193.4	22	166	267.4	258.7	11.0	28.3	24.0	17.9	12.9	5,350	28.9.84
165	(135)	Charter Consolidated	190.3	10	90	754.5	614.1	22.8	16.5	37.0	−55.4	5.9	21,422	31.3.85
166	(189)	Bejam Group	189.9	26	152	303.0	259.2	16.8	16.3	12.4	31.4	37.8	2,583	30.6.84
167	(137)	Hepworth Ceramic Holdings ...	188.8	2	144	377.7	338.6	11.5	35.2	33.6	5.0	18.6	8,088	31.12.84
168	(191)	Heath C.E.	186.8	67	—	NR	NR	—	30.1	19.1	57.5	45.3	1,768	31.3.85
169	(153)	Tricentrol	185.2	51	255	120.3	122.0	−1.3	39.3	43.7	−10.0	14.9	218	31.12.84*
170	(174)	Steetley	185.1	10	132	420.6	384.7	9.3	32.7	23.2	40.9	18.7	6,473	31.12.84
171	(146)	Mercury Securities	184.6	68	—	NR	NR	—	28.7	21.3	34.7	NR	1,168	31.3.85*
172	(145)	Mercantile House Holdings ...	181.5	70	—	NR	NR	—	52.2	56.9	−8.2	210.8	4,843	30.4.85
173	(152)	Northern Engineering Inds ...	181.4	6	80	883.1	872.6	1.1	40.1	43.8	−8.4	15.3	29,937	31.12.84§
174	(194)	Ocean Transport and Trading	180.6	45	88	779.8	659.7	18.2	28.7	7.2	298.6	15.5	7,578	31.12.84
175	(207)	London and Manchester Group	178.6	65	—	NR	NR	—	5.8	4.7	23.4	NR	1,980	31.12.84*
176	(134)	Farnell Electronics	176.0	5	302	72.7	58.3	24.6	20.3	15.8	28.4	57.3	1,587	3.2.85*
177	(190)	Foseco Minsep	175.9	42	126	458.3	376.4	21.7	34.5	20.6	67.4	22.6	10,300	31.12.84
178	(166)	Babcock International	171.3	6	68	1,129.8	1,016.3	11.1	31.6	34.1	−7.3	12.9	24,918	30.12.84
179	(206)	Amersham International	170.5	27	266	108.2	87.6	23.5	17.1	13.7	24.8	33.1	2,488	31.3.85
180	(167)	Marley	168.6	2	109	567.8	500.9	11.3	33.1	28.2	17.3	17.5	11,502	31.12.84
181	(215)	Glynwed International	165.8	8	119	514.1	487.2	5.5	26.5	21.2	25.0	17.3	13,919	29.12.84
182	(180)	Capital and Counties Property	165.0	69	—	NR	NR	—	10.0	10.5	−4.7	6.1	487	25.3.85
183	(198)	Transport Development Group	164.7	46	131	434.7	367.7	18.2	24.1	21.0	14.7	16.2	12,005	31.12.84
184	(183)	Powell Duffryn	159.3	11	111	564.0	533.2	3.9	20.6	18.3	12.5	15.6	8,783	31.3.85
185	(272)	Mount Charlotte Investments	159.2	29	350	43.7	27.7	57.7	10.0	4.6	117.3	17.8	2,644	30.12.84
186	(164)	London Merchant Securities ...	158.3	69	—	NR	NR	—	16.5	13.1	25.9	7.8	87	31.3.85
187	(196)	AMEC	156.6	3	95	686.7	715.3	−3.9	27.1	26.1	3.8	27.2	18,451	31.12.84
188	(227)	Wolseley Hughes	156.6	11	129	445.2	358.7	24.1	25.9	15.8	63.9	25.6	4,759	31.12.84
189	(232)	Refuge Group	156.2	65	—	NR	NR	—	6.3	5.8	12.5	NR	3,681	31.12.84*
190–250	[illegible]													

FOOTNOTES FOR COMPANIES LISTED ON THIS PAGE

1 British Telecom, S/E listing 11/84. Market Cap is notional figure based on part-paid share price. [illegible]

251-450

Ranking This	Last	Company	Market cap. £m	Sector	Ranking	Turnover this year £m	Turnover last year £m	% change	Profit this year £m	Profit last year £m	% change	ROCE	Number of employees	Year end
251	(246)	Associated British Ports	106.7	45	238	138.2	154.3	−10.4	(8.4)	14.8	—	NA	8,231	31.12.84
252	(214)	Gill and Duffus Group	105.7	91	39	1,888.9	1,251.7	50.9	17.1	20.4	−16.1	19.9	2,840	31.12.84
253	(216)	Electronic Rentals Group	105.6	29	201	197.2	192.5	2.4	15.2	11.2	35.7	15.1	6,110	31.3.85
254	(262)	Hall (Matthew)	105.3	6	143	382.8	361.2	5.9	14.2	12.9	10.0	27.3	7,455	31.12.84
255	(358)	Hazlewoods Foods	105.0	25	311	68.1	35.2	93.4	6.1	3.1	96.7	19.5‡	1,820	31.3.85
256	(389)	Grattan	104.8	34	189	219.1	195.3	12.1	9.6	3.5	174.2	17.2	2,892	31.1.85
257	(283)	W'hampton and Dudley Brews.	104.6	22	261	94.6	86.3	9.6	13.5	12.5	8.0	23.4	4,352	30.9.84
258	(341)	Greycoat City Offices	104.4	69	—	NR	NR	—	4.0	2.5	60.0	6.7	30	31.3.85
259	(248)	Portals Holdings	100.1	11	197	201.7	179.2	12.5	17.5	16.6	5.4	17.5	4,289	31.12.84
260	(236)	Brixton Estate	99.2	69	—	NR	NR	—	9.0	8.3	8.4	6.9	111	31.12.84
261	(218)	Cambridge Electronic Inds.	97.9	5	270	129.3	103.9	24.4	11.9	9.7	22.6	25.4	5,789	31.12.84
262	(185)	United Scientific Holdings	97.1	6	256	120.0	131.8	−8.9	12.1	15.2	−20.3	19.9	3,641	30.9.84
263	(266)	Turner and Newall	95.6	10	122	471.9	488.5	−3.3	20.5	12.5	64.0	9.4	21,070	31.12.84
264	(315)	Stockley	95.6	69	—	NR	NR	—	0.1	NA	—	0.5‡	8	30.11.84*
265	(235)	Unitech	93.5	5	195	204.7	154.1	32.8	15.0	13.1	14.5	35.1	3,349	1.6.85
266	(333)	M and G Group	92.5	70	—	NR	NR	—	7.1	6.0	18.3	28.7	300	30.9.84*
267	(308)	Pritchard Services Group	92.3	12	128	446.6	324.6	37.5	15.0	12.8	17.1	29.6	51,674	30.12.84
268	(303)	Bradford Property Trust	92.2	69	—	NR	NR	—	10.5	9.4	11.7	30.7	87	5.4.85
269	(—)	IBL	91.8	5	230	153.2	97.8	56.6	7.5	3.0	150.0	10.3‡	162	31.12.84*
270	(282)	Wilson (Connolly) Holdings	91.7	3	289	76.3	62.5	22.8	15.8	13.2	19.6	23.4	698	31.12.84*
271	(326)	Securicor Group	91.0	12	167	284.1	267.5	6.2	12.9	11.6	11.3	21.1	34,126	28.9.84
272	(378)	Systems Designers Int'l	89.8	12	387	29.5	24.2	21.9	2.9	2.6	11.5	54.3	1,060	31.12.84*
273	(361)	Davy Corporation	89.7	6	106	580.9	640.1	−9.2	13.0	7.5	73.3	12.8	9,060	31.3.85
274	(285)	Gerrard and National	89.6	63	—	NR	NR	—	5.2	10.1	−48.5	NR	NA	5.4.85*
275	(—)	Wates City of London Props.	89.4	69	—	NR	NR	—	1.5	NA	—	3.0‡	14	31.12.84*
276	(288)	Premier Consolid. Oilfields	89.1	51	332	9.9	5.0	98.0	4.5	1.0	350.0	15.5	101	31.3.85*

Electronics and Electricals

Severity of decline worse than foreseen

THE steady rise of electronics companies up last year's league table then seemed both inevitable and sustainable. Yet a matter of months after those tables were compiled, electronics stocks embarked on a fall that left the sector FTA index, by June, 35 per cent *below its high point, reached in* November last year.

The severity of the decline has been greater than anyone had foreseen. It has touched almost every company in the sector. The big daddy of them all, GEC, has dropped from third to seventh place in the UK top 500, overtaken by Glaxo, BAT and ICI.

Each of the other three majors, Racal, STC and Plessey, dropped more than 25 places as their share prices came thumping down by over 30 per cent.

At the other end of the size scale, Systems Reliability and Tunstall Telecom each lost 100 places to retain a position in the table by a hair's breadth.

However, the most spectacular falls were achieved by six companies which do not appear in this year's lists at all, and each of which ended the year capitalised at a small fraction of the amount at which they started the 12 months.

The reasons for the decline within the sector were apparently unrelated, but once set in motion spread throughout the sector in a devastating ripple passed along the chain from the major suppliers to distributors and so on.

One cause of the trouble has been much more aggressive purchasing by British Telecom and the Ministry of Defence. At the same time, severe overcapacity has appeared in many markets —in semi-conductors, in personal computers (and more recently in the whole range of computer hardware), and in telecommunication equipment. The result has been fierce price-cutting across the industry, and while only two companies, Acorn and Sinclair, have actually needed to be rescued, numerous others have seen their profits sadly eroded.

The trigger to the precipitious drop at the start of the year was a profits warning from Racal, which was having difficulties with its U.S. subsidiary. Horrified, the market wiped £257m off the company's market value within a few hours.

Racal was the first in a succession of upsets during the following six months which saw in sequence: a weighty and ill-timed rights issue from STC, terrible results from MicroFocus and then, from Plessey, further profit warnings from Racal, STC and Logica, and disappointing results from GEC.

The MicroFocus incident was perhaps the most dramatic, and took that company from the 253rd place in last year's ranking to well outside the top 500 as its share price collapsed from *370p to 100p*. The software house sprang results on the market that were about one-fifth of the City's forecasts, partly resulting from an enforced accounting change, but partly reflecting a loss of management *control*.

Almost as dramatic were the departure of Crystalate and Microvitec, both of which reported a sudden decline in profits, hit respectively by squeezed margins on telecommunications equipment and on colour monitors for home computers.

Other departures from nearer the bottom of the list were Wordplex, CPU Computer and Powerline, which found condi*tions increasingly tough* in the markets for wordprocessors, floppy discs and electronic power supplies.

Many other electronics companies have found their rankings eroded despite no deteriora*tion in performance, as their* share prices have moved down in sympathy with the rest of the sector.

However, the market has not been entirely undiscriminating in its re-rating of electronics companies: *at least five out of* the 34 in last year's list have gained ground since then. The highest climber was DPCE which is in the still fashionable field of computer maintenance, and which has advanced 44 places to 387.

CASE has also been one of the big movers from 244 last year to 207 this year, although at least half the advance was due to a £24m rights issue.

Despite conditions that could scarcely have been less auspicious, a stream of electronics companies joined the market during the year. Three of these—IBL, Domino and Comcap—feature in the top 500 rankings.

Lucy Kellaway

Departures from UK top 500

Company	Last Rank	Sector
Hambro Life Assurance	74	65*
House of Fraser	85	34†
MFI Furniture Group	100	34‡
Phoenix Assurance	115	66§
ICL	116	5¶
Initial	123	12‖
Brooke Bond Group	136	23**
Bibby J. and Son	147	23††
Sterling Guarantee Trust	160	70‡‡
Grindlays Holdings	165	70§§
Hamilton Oil GB	192	51¶¶
Currys Group	199	34‖‖
Chubb and Son	249	12a
Micro Focus	253	5
UBM Group	268	2b
Trident Television	307	29c
Minster Assets	309	66d
Paul	311	25e
Foster Brothers Clothing	318	34f
Carlton Industries	329	11g
Oceonics	332	51
Dunlop Holdings	349	9h
Burnett and Hallamshire	347	3
Vinten Group	352	4
Link House Publications	354	32i
Crystalate Holdings	358	5
Microvitec	372	5
Prestige Group	375	39j
Martin (Newsagent)	384	34k
Churchbury Estates	387	69l
Carr John (Doncaster)	393	2m
De Vere Hotels and Restaurants	403	29n
Security Centres Holdings	409	12
Charterhall	413	51
Metal Closures Group	417	33
Sidlaw Group	433	11
Barlow Holdings	436	70p
Combeu Group	437	3q
Castlefield Rubber	446	10r
Cluff Oil	445	51
Ruberoid	454	2
Bertam Holdings	456	91
Bath and Portland Group	457	10s
Centrovincial Estates	459	69
Estates Property Investment	460	69
Television South	470	29
Aberdeen Construction Group	472	3
Invergordon Distillers	476	22
Wordplex	478	5
Boustead	479	91
Robertson Research	480	51
Ansbacher (Henry) Holdings	487	68
Scottish Agricultural Industries	488	42
Nu-Swift Industries	491	10
CPU Computers	492	5
Alexanders Discount	496	63t
Powerline International	500	5

* Acquired by BAT Industries. † Acquired by Al Fayed family. ‡ Acquired by Associated Dairies. § Acquired by Sun Alliance and London Assurance. ¶ Acquired by Standard Telephone and Cables. ‖ Acquired by British Electric Traction. ** Acquired by Unilever. †† Acquired by Barlow Rand. ‡‡ Acquired by P & O Steam Navigation. §§ Acquired by ANZ. ¶¶ Acquired by Hamilton Oil Corporation. ‖‖ Acquired by Dixons Group. a Acquired by Racal. b Acquired by Norcros. c Acquired by Pleasurama. d Acquired by Groupe des Assurance Nationales. e Acquired by Harrisons and Crosfield. f Acquired by Sears Holdings. g Acquired by Hawker Siddeley Group. h Acquired by BTR. i Acquired by United Newspaper Holdings. j Acquired by Gallaher Limited. k Acquired by Guinness (Arthur). l Acquired by Greycoat City Offices. m Acquired by Rugby Portland Cement. n Acquired by Greenall Whitley. p Acquired by Majedie Investments. q Acquired by Trafalgar House. r Acquired by Harrison Malayan Plantations. s Acquired by Consolidated Goldfields. t Acquired by Mercantile House Holdings.

FOOTNOTES TO COMPANIES LISTED ON THIS PAGE

264 Stockley. Incorporated 7/11/83. 266 M & G Group. ROCE calculated on capital employed including long-term insurance business funds. 269 IBL, S/E listing 6/85. 270 Wilson (Connolly) Holdings, Previous year's figs restated in accordance with merger accounting principles following acquisition of Chowns Ltd on 16/4/84. ROCE calculated assuming merger effective at beginning of year. 272 Systems Designers Int'l, Figs prepared in accordance with merger accounting principles following acquisition of Systems Programming Holdings, 29/6/84. ROCE calculated assuming merger effective at beginning of year. 274 Gerrard & National, Profit is after minority interest, transfer to reserves and is net of tax. 275 Wates City of London Props, Incorporated 2/2/84. 276 Premier Consolid Oilfields. Profit is net of unrealised exchange rate gains. 282 Renishaw, S/E listing 11/84 (from USM). 284 Sturge Holdings, S/E listing 6/85. 286 Westpool Investment Trust, Preliminary results. 291 Diploma, Previous year's figs for 15 months to 30/9/83. 293 Alfred McAlpine, Formerly Marchwiel PLC. 300 Hickson International, Previous year's figs for 15 months to 31/12/83. 303 Iceland Frozen Foods Hldgs, S/E listing 10/84. 304 Union Discount (London), Profit is after provisions and transfer to inner reserve and is net of tax. Emp=1983. 324 EMAP, Formerly East Midland Allied Press. ROCE calculated assuming merger with Maclaren Publishers effective at beginning of year. 329 Bulmer H.P. Holdings, Turnover excludes excise duty. 341 Clyde Petroleum, Turnover includes production and windfall profit taxes of £0.6m (£0.6m). 345 British Car Auctions, Turnover="Charges and other income earned less credits on the proceeds of motor vehicle and other auctions and sales by group companies to outside customers." 351 Brown Shipley Holdings, Profit is net of tax and after transfer to inner reserve. 354 London Shop Property Trust. Preliminary results. ROCE calculated on pre-tax profit after interest. Emp=1984. 360 Tomkins F.H., This year's turnover includes £3.1m in respect of Ferraris Piston Service acquired during year. 366 Sovereign Oil & Gas, Turnover="Selling value of entitlement to oil and gas from producing interests including value of royalty oil taken by UK Government in kind and management fees." Change in basis from 1983—figs not restated. 382 Frogmore Estates, Formerly Fairview Estates. 388 Westland, This year's profit after exceptional provision for 'civil aircraft programs.' 400 Bosse Massimi Pollitt, USM. 401 Cray Electronics Holdings, Preliminary results. ROCE calculated on pre-tax profit after interest. Emp=1984. 411 Cater Allen Holdings, Profit is after providing for rebate, tax and transfer to contingency reserve. 415 Central Independent TV, USM. 425 Spring Ram Corporation, S/E listing 4/85 (from USM). 427 United Leasing, Figs prepared in accordance with merger accounting principles following acquisition of Sumlock Bondain Ltd during year. ROCE calculated assuming merger effective at beginning of year. 441 Garfunkles Restaurants, USM. Figs include results for Strikes Restaurants acquired during year. ROCE calculated assuming 450 Amari, S/E listing 7/84.

451-500

Ranking 1986	1985	Company	Market capital £m	Sector	Ranking	Turnover this year £m	Turnover last year £m	% change	Profit this year £m	Profit last year £m	% change	ROCE	Employees	Year end
451	(—)	Avon Rubber	35.7	9	214	180.4	171.8	5.0	3.5	2.3	52.1	15.8	5,374	29.9.84
452	(499)	Hargreaves Group	36.6	11	138	397.8	194.7	104.3	7.1	3.5	102.8	20.7	1,966	31.3.85
453	(—)	Lynton Holdings	36.5	69	—	NR	NR	—	1.8	1.4	28.5	5.0	15	31.3.85
454	(462)	Dominion International	36.3	11	347	45.2	31.0	45.8	9.3	6.6	40.9	16.3	184	31.3.85*
455	(377)	Bestobell	35.8	6	234	150.1	137.3	9.3	0.5	5.1	−90.1	5.7	4,961	31.12.84
456	(—)	Goding Kerr	35.7	4	397	8.3	5.4	53.7	2.4	1.5	60.0	170.3	153	30.9.84
457	(495)	NSS Newsagents	35.6	34	229	153.5	145.6	5.4	5.8	5.6	3.5	38.4	5,081	30.9.84
458	(396)	Chloride Group	35.5	4	136	401.8	379.0	6.0	14.2	14.0	1.4	12.3	13,952	31.3.85
459	(475)	Myson Group	35.4	6	331	55.3	51.9	6.5	6.2	3.0	73.3	41.3	1,853	31.12.84
460	(—)	Church and Co	35.0	34	335	51.8	44.4	16.6	4.7	2.8	67.8	20.4	2,168	31.12.84
461	(—)	Associated Paper Industries	35.0	33	344	47.1	37.3	26.2	3.9	2.5	56.0	30.4	1,028	29.9.84
462	(—)	Bentals	34.9	34	321	61.4	58.4	5.1	3.0	2.6	15.3	17.0	1,892	2.2.85
463	(—)	Liberty	34.9	35	346	46.5	40.0	16.2	2.6	1.4	85.7	22.5	959	2.2.85
464	(420)	Imry Property Holdings	34.9	69	—	NR	NR	—	1.8	2.1	−14.2	6.3	11	31.3.85
465	(—)	Samuelson Group	34.8	12	376	23.5	16.5	42.4	2.9	1.4	107.1	30.3	454	30.3.85
466	(406)	Hadson Petroleum Intnl	34.7	51	—	NR	NR	—	NA	0.1	—	NA	9	31.12.84*
467	(—)	Fisher Albert	34.5	26	348	44.4	15.1	194.0	1.1	0.3	266.6	25.4	375	31.8.84*
468	(463)	Hewden-Stuart Plant	34.3	3	272	103.8	92.7	11.9	6.4	4.4	45.4	16.1	2,530	3.2.85*
469	(—)	Aaronson Brothers	34.3	2	285	89.4	80.4	11.1	3.8	2.0	90.0	19.8	1,190	30.9.84
470	(—)	Austin Reed Group	34.3	34	328	57.3	52.4	9.3	4.2	4.0	5.0	14.0	1,112	31.1.85
471	(494)	GEI International	34.2	6	304	71.7	62.4	14.9	4.3	3.1	38.7	12.1	2,405	31.3.85
472	(427)	Hunting Associated Industries	34.1	11	203	195.0	179.0	8.9	5.9	6.6	−10.6	15.4	5,806	31.12.84
473	(—)	Eastern Produce (Holdings)	34.1	91	330	55.7	40.0	39.2	21.8	11.2	94.6	69.6	3,702	31.12.84
474	(—)	Domino Printing Sciences	34.1	5	399	7.4	2.5	196.0	1.8	0.3	500.0	86.5‡	123	31.10.84*
475	(497)	Allied London Properties	34.0	69	—	NR	NR	—	2.8	2.4	16.6	7.8	119	30.6.84
476	(—)	Our Price	34.0	39	372	26.1	20.0	30.5	1.2	0.9	33.3	40.0	488	30.5.84
477	(—)	Renold	33.9	6	254	121.4	116.2	4.4	4.5	0.0	—	10.8	5,172	30.3.85*
479	(489)	Holt Lloyd International	33.9	42	300	76.3	55.0	38.7	6.2	4.2	47.6	41.2	966	2.3.85*
479	(—)	Pavion International	33.9	42	364	32.7	29.9	9.3	0.6	(0.3)	—	10.7	483	28.2.85*
480	(—)	Falcon Resources	33.9	51	401	0.3	NA	—	0.1	(0.1)	—	4.9‡	2	31.12.84
481	(325)	Micro Business Systems	33.8	67	—	NR	NR	—	3.4	1.8	88.8	56.1	426	31.12.84
482	(—)	Bairstow Eves	33.7	61	—	NR	NR	—	3.1	1.6	93.7	116.9	789	31.12.84
483	(—)	Tace	33.4	6	383	18.0	15.1	19.2	2.6	1.2	116.6	41.3	590	30.9.84

Ranking This	Last	Company	Market cap. £m	Sector	Ranking	Turnover this year £m	Turnover last year £m	% change	Profit this year £m	Profit last year £m	% change	ROCE	Number of employees	Year end
484	(—)	Addison Page	33.3	12	—	NA	NA	—	2.0	NA	—	NA	NA	31.12.84*
485	(—)	Comcap	33.2	5	361	33.6	32.0	5.0	2.9	1.5	93.3	38.0‡	38	31.12.84*
486	(386)	Systems Reliability	33.2	5	391	10.1	8.3	21.6	2.8	2.0	40.0	86.7	305	31.12.84
487	(—)	Norton Opax	33.0	32	384	17.6	10.5	68.0	1.3	1.0	30.0	33.6	664	31.3.85
488	(—)	Lamont Holdings	32.7	35	356	40.8	28.0	45.7	3.5	2.0	75.0	23.8	1,381	31.12.84
489	(391)	Tunstall Telecom Group	32.6	5	385	13.1	6.9	89.8	3.0	1.4	114.2	89.0	278	30.9.84
490	(314)	Gent S. R.	32.5	35	237	79.8	70.2	13.3	6.1	5.2	17.3	21.8	5,780	30.6.85
491	(—)	Mann and Company	32.4	12	396	8.5	7.4	14.8	1.6	1.8	−11.1	45.1	470	31.8.84*
492	(—)	Majedie Investments	31.9	70	—	NR	NR	—	1.7	2.1	−19.0	8.9	NA	30.9.84
493	(—)	McKay Securities	31.8	69	—	NR	NR	—	2.5	2.3	8.6	5.8	14	31.3.85
494	(498)	Bespak	31.8	6	386	12.7	10.3	23.3	2.3	2.1	9.5	38.2	317	3.5.85
495	(398)	Wholesale Fittings	31.7	4	358	35.7	33.2	7.5	4.9	4.9	0.0	28.8	577	28.4.85
496	(—)	Kalon	31.6	10	333	53.4	47.9	11.4	2.7	3.2	−15.6	21.9	1,049	31.12.84*
497	(464)	Whitecroft	31.4	10	274	101.7	95.7	6.2	7.5	8.2	−20.9	20.3	2,607	31.3.85
498	(—)	Sale Tilney	31.4	25	305	71.1	69.8	1.8	3.1	2.1	47.6	21.9	696	30.11.84
499	(—)	Attwoods	31.4	2	389	10.3	9.6	7.2	1.7	1.0	70.0	18.9	266	31.7.84
500	(412)	Goal Petroleum	31.4	51	395	8.8	6.2	41.9	4.6	2.2	100.0	36.1	11	31.12.84

FOOTNOTES TO COMPANIES LISTED ON THIS PAGE

454 Dominion International. ROCE calculated assuming merger with Anglo-International Investment Trust effective at beginning of year. 466 Hadson Petroleum International. Now fully owned by Hadson Petroleum Corporation. 467 Fisher Albert. ROCE calculated assuming merger with Carnival Fruit Company effective at beginning of year. 468 Hewden-Stuart Plant. This year's figs for 53 weeks to 3/2/85. 474 Domino Printing Sciences, S/E listing 4/85. 477 Renold, Emm— year-end. 479 Pavion International, Formerly Sangers Group. 480 Holt Lloyd International. This year's figs for 53 weeks to 2/3/85. 484 Addison Page. Formed through merger between Addison Communications & Michael Page Partnership. 25/1/85. Profit fig is pro-forma. 485 Comcap, S/E listing 5/85. 491 Mann & Company, S/E listing 3/85. 496 Kalon, S/E listing 6/85.
* See footnotes. † ROCE calculated on Shareholder's Funds. ‡ ROCE calculated on Capital Employed at year-end. § Previous years figures adjusted for accounting changes.

Newspapers and Publishing

Performance boosted by merger wave

AN unprecedented wave of mergers in the traditionally staid world of book publishing helped make the newspaper and publishing sector the best performer in the UK chart. Venerable imprints and famous titles have changed hands at a rapid rate during the past year.

At one end of the scale Octopus paid £110m for Heinemann in the largest merger ever in the book publishing sector. At the other, McCorquodale, the security printing, packaging and publishing group, paid £400,000 for Wisden Cricketers' Almanack, the bible of the sport for 121 years.

These and similar deals, and even larger ones in the newspaper world, combined with buoyant markets for most forms of the printed word to push the companies in the sector on average just over 46 rungs higher in the FT UK 500 rankings.

Octopus, the company which discovered that there was a large market for books between Sainsbury's food counters and Marks and Spencer's racks of men's and women's wear, led the rises among the book publishers.

East Midland Allied Press (EMAP) headed gains among the newspaper and magazine groups and was the best performer in the sector overall.

Two newcomers joined the top 500 rankings. Mr Robert Maxwell's British Printing and Communication Corporation (BPCC) came in when the stake held by Pergamon, Mr Maxwell's privately-owned publishing house, fell below 70 per cent, a requirement for a place in the table.

Norton Opax, the company best known for its lottery ticket printing, expanded rapidly by means of a series of acquisitions and entered the rankings at number 487.

The Heinemann acquisition brought Octopus a glittering list of authors ranging from D. H. Lawrence to Catherine Cookson. It also took Octopus into educational publishing, another area where it had not been represented. For McCorquodale the purchase of Wisden gave it a prestigious title which could be applied to other publishing ventures in the sporting field.

Elsewhere in the book world, Associated Book Publishers, which includes Eyre and Spottiswoode and Methuen among its imprints, paid just over £4m for Routledge and Kegan Paul. Penguin, part of the Pearson group, helped celebrate its 50th anniversary with the purchase of a large part of Thomson's Books.

The book trade has been recovering strongly over the past year or so from the recession of the late 1970s when readers bought fewer books and public spending cuts adversely affected buying by schools.

The strength of the pound damaged exports, which account for about a third of UK output. Publishers appear to have learned from that experience that a more commercial approach is needed.

The industry has been devoting increased efforts to marketing, and the Publishers' Association set up the Book Marketing Council to research book-buying trends and promote sales.

Octopus, long regarded as a brash outsider began to be seen as a company to be emulated for the professionalism of its approach.

What the book publishers were seeking through these mergers was a broader spread of business to withstand another downturn in the industry. Size also gave economies of scale in an increasingly international market for books.

The newspaper and magazine publishers were no less active. United Newspapers, owners of Punch and the Yorkshire Post, launched a takeover bid for Fleet Holdings, publishers of the Daily and Sunday Express and The Star.

Fleet gave its reluctant backing to the bid when United increased its offer to £317m.

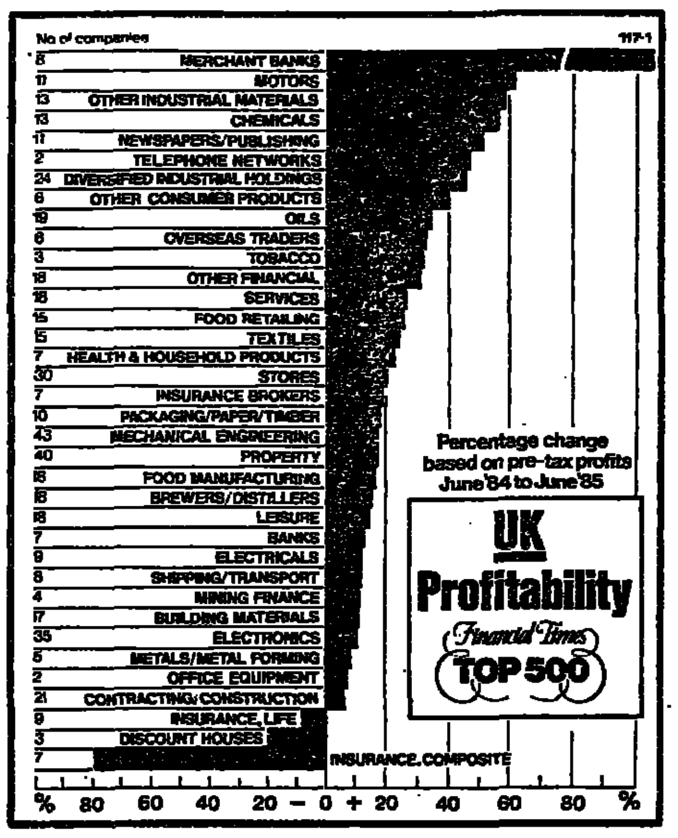
EMAP, by contrast was caution itself on the takeover front. It paid £10m for Maclaren Publishers, a Croydon-based trade magazine group. EMAP's shares have themselves been boosted by bid speculation but the company owes most of the firmness of its share price to its trading performance.

In common with many other provincial newspapers and printing groups it has been able to introduce modern technology in a relatively peaceful labour relations climate.

Mr Eddie Shah's plans to launch a new national daily newspaper next year have raised prospects of a breakthrough in working practices among the Fleet Street newspaper groups. The outlook for the newspaper sector will depend greatly on how peacefully any changes can be made.

United's plans to reduce manning levels at Fleet could be the first test.

Charles Batchelor



Spoilt for investment trust choice

BY BARRY RILEY

ALTHOUGH IT has become something of a happy hunting ground for predators, Britain's £15bn investment trust sector refuses to shrink on the scale demanded by its critics. Whereas closed-end funds in the U.S. have almost disappeared, there continues to be a remarkably wide choice available in the list of UK investment trusts.

Grandly-named investment trusts such as Globe or Foreign & Colonial are found near the top of the rankings. Down near the 100th position they become much more narrowly focused, boasting names such as the Gartmore Information and Financial Trust, to take one example.

And among the small trusts too puny to figure in our table are many highly specialised funds, concentrating on sectors of which technology, smaller companies, the Far East and energy are, or have been, among the more fashionable.

At this level, new investment trusts are regularly being launched, despite the consistent complaints that the market is already glutted. This year's newcomers include Baillie Gifford Shin Nippon, a Japanese small company specialist, Nordic, investing in small and medium-sized growth companies in Scandinavia, and Martin Currie Pacific, orientated towards the Far East.

Does size matter in investment trusts? The answer depends largely on who the investor is. The gradual squeezing out of private investors over the years, to be replaced by institutional shareholders, has put a lot of pressure on the managements of the trusts, especially the large ones.

The big, broadly based investment trusts—which in the 1960s often had many hundreds of individual investments—could offer investors a high degree of diversification coupled with low management costs. But this is a formula which has no appeal to institutional holders such as pension funds.

They are perfectly capable of achieving a basic spread of investments for themselves. They are only attracted to investment trusts if they offer something special—or they present an opportunity to invest in assets at a discount.

So the big trusts have seen their share prices slip to considerably large discounts on underlying assets. Many of them have responded by adopting more adventurous investment policies, in areas such as unquoted investments.

But they have often felt themselves to be under less pressure than smaller funds, because sheer size has been seen to be an obstacle to takeovers, the threat of which has often been the major spur to action.

In these days of mega takeover bids can anybody be safe? The bid some years ago by the National Coal Board pension fund for British Investment Trust (still listed because of an outstanding minority) had come to seem something of a one-off but the take-over this summer of the £130m Murray Growth Trust by the Merchant Navy pension funds sent flutters through the investment trust industry.

In the current top ten, one trust which could be in the line of fire is the Scottish Investment Trust, in which the relatively small British Empire Securities has taken a justifiable stake (despite its name, BES has substantial U.S. and Canadian backing).

Generally speaking, investors are less willing these days to go along with the kind of defensive mergers which used to give trusts the protection of greater size, sometimes reinforced by cross-holdings. In a more aggressive age, any cosy deal is liable to backfire, by attracting counter-proposals from outside.

The traditional argument that greater size will permit management costs to be spread over a larger volume of assets is no longer valid, because big trusts can only justify themselves by building up expensive teams of specialist investment experts.

In fact only the very biggest can now sustain themselves independently in this way—including Globe, which has a substantial venture capital operation.

Elsewhere, many trusts have addressed the problem by grouping themselves around management companies or merchant banks which can provide the skills in such specialisms as U.S. or Japanese companies or technology.

The risk in this is that managers will no longer devote their whole attention to a trust, but will regard it as just one client among many. Whatever the pros and cons, this appears to be the way the industry is going.

How, in fact, does the performance of the big trusts compare with that of their smaller rivals? The most comprehensive recent study was that produced by stockbrokers Wood Mackenzie at the end of last year. The results were not very clear cut, but three general points emerged from the analysis.

First, on average for the five-year period 1979-84, the biggest trusts slightly outperformed the smaller ones, measured in terms of growth in net asset value per share. Second, the very best performing trusts were all relatively small—but so were the worst performers.

The third point was that when the rankings were expressed in terms of share price performance the successful small trusts tended to gain extra growth from a reduction in the discount on underlying assets—a factor that was not so helpful to the big trusts.

The overall conclusion is that a good little 'un will probably beat a good big 'un, but only by adopting higher risks. For the smaller investor, the large investment trusts will in many cases have the edge—but these days the small investor no longer calls the tune.

Top 100 UK Investment Trusts by Market Capitalisation

Rank	Company	Market Cap £m‡	Shareholders' Funds £m§	Discount %
1	Globe Investment Trust	422.6	626.4	28.7†
2	Foreign & Colonial Invest Trust	331.0	441.4	25.0
3	Alliance Trust	310.0	412.6	24.9
4	TR Industrial & General Trust	305.2	420.5	27.4
5	Edinburgh Investment Trust	297.6	414.6	28.2
6	Scottish Mortgage and Trust	256.1	340.1	24.7
7	Witan Investment Company	247.4	338.5	26.9
8	Hill (Philip) Investment Trust	222.4	280.1	20.6
9	British Investment Trust	205.9	279.1	26.2
10	Scottish Investment Trust	204.2	277.9	26.5
11	Electra Investment Trust	187.3	235.5	20.5
12	British Assets Trust	183.4	246.4	25.6
13	TR Technology Investment Trust	177.1	244.9	27.7
14	Fleming Mercantile Invest Trust	159.0	220.1	27.8
15	Scottish Eastern Invest Trust	156.3	218.4	28.4
16	Border & Sthrn S'holders Trust	153.1	203.5	24.7
17	Anglo American Secs Cpn	143.3	196.6	27.1†
18	Fleming O'seas Investment Trust	140.8	192.5	26.8
19	Murray International Trust	136.1	184.3	26.1
20	United States Debenture Cpn	134.6	176.9	23.9
21	Scottish National Trust	132.8	178.8	25.7
22	Throgmorton Trust	131.8	162.3	18.8
23	Investors Capital Trust	130.5	164.2	20.5
24	Murray Growth Trust	130.3	155.7	16.3
25	Scottish American Invest Trust	126.9	174.8	27.4
26	Drayton Premier Invest Trust	123.7	159.9	21.8†
27	Lake View Investment Trust	122.2	148.8	17.9
28	Atlantic Assets Trust	120.0	163.9	26.8
29	Fleming Far Eastern Invest Trust	118.4	151.4	21.7
30	TR Trustees Corporation	114.0	159.4	28.5
31	Whitbread Investment	112.3	143.6	21.8
32	Monks Investment Trust	108.6	146.0	25.6
33	Continental & Industrial Trust	105.7	121.0	12.6
34	Second Alliance Trust	103.7	135.5	23.5
35	American Trust	103.0	136.9	24.8
36	Scottish Northern Invest Trust	99.7	124.0	19.6
37	Drayton Japan Trust	98.6	120.6	18.2
38	Drayton Consolidated Trust	94.6	130.5	26.0†
39	Murray Income Trust	94.3	109.5	13.8
40	Merchants Trust	94.1	124.0	24.1
41	Stockholders Investment Trust	90.6	125.1	27.6
42	Securities Trust of Scotland	89.7	122.1	26.6
43	TR Pacific Basin Invest Trust	82.6	104.4	20.9
44	English & New York Trust	81.8	99.5	17.7
45	Raeburn Investment Trust	80.8	107.4	24.8†
46	Fleming American Trust	80.6	126.6	20.1†
47	First Scottish American Trust	79.8	102.2	21.9
48	Northern American Trust	78.8	108.6	27.4
49	Hambros Investment Trust	78.5	110.4	29.0
50	TR City of London Trust	77.4	100.4	22.9
51	London Trust	76.1	96.6	21.3
52	E'burgh American Assets Trust	74.7	106.1	22.9†
53	F & C Pacific Trust	70.6	92.5	23.7
54	Independent Investment Trust	69.4	88.1	21.2
55	Bankers Investment Trust	68.1	89.6	23.9
56	Romney Trust	66.0	91.0	27.2†
57	Fleming Japanese Invest Trust	65.8	77.9	15.6
58	Temple Bar Investment Trust	64.7	82.4	21.5
59	TR Natural Resres Invest Trust	64.2	86.9	26.2
60	Outwich Investment Trust	64.1	87.2	26.4
61	Charter Trust & Agency	63.2	79.0	20.0
62	Fleming Universal Invest Trust	60.5	82.3	26.5
63	River & Mercantile Trust	60.5	77.9	22.3
64	English & Scott Investors Trust	58.1	68.2	14.9
65	1928 Investment Trust	57.2	70.0	18.2
66	TR North America Invest Trust	56.0	75.2	25.5
67	TR Property Investment Trust	55.7	74.9	25.6
68	Tribune Investment Trust	54.3	72.9	25.5
69	Trans-Oceanic Trust	52.6	71.4	26.3
70	Berry Trust	50.9	61.0	16.0†
71	Fleming Technology Invest Trust	48.9	68.1	28.2
72	Electric & General Invest Trust	47.9	63.5	24.5
73	Ailsa Investment Trust	47.2	57.3	17.6
74	North Atlantic Secs Corporation	46.5	61.8	22.2†
75	Murray Smaller Markets Trust	46.2	60.4	23.5
76	General Consoldtd Invest Trust	45.9	56.1	18.1
77	Abingworth	43.4	59.8	27.4
78	Triplevest Capital Trust	42.5	60.7	29.0
79	Crescent Japan Investment Trust	42.4	50.9	16.6
80	Brunner Investment Trust	42.2	56.5	25.3
81	Ashdown Investment Trust	41.4	51.5	19.3
82	CJR Pacific Investment Trust	40.5	50.6	20.0
83	Law Debenture Corporation	38.5	45.5	15.3
84	F & C Alliance Investment Trust	37.5	47.6	21.2
85	Glasgow Stockholders Trust	36.9	44.7	17.4
86	New Tokyo Investment Trust	36.1	43.6	17.2
87	General Funds Investment Trust	35.0	46.6	19.6†
88	Shires Investment Trust	35.0	58.1	[illegible]
89	GT Japan Investment Trust	34.9	45.5	[illegible]
90	River Plate & Gen Invest Trust	34.2	39.9	14.1
91	St Andrews Trust	33.9	46.7	27.5
92	Yeoman Investment Trust	33.6	38.8	13.2
93	Gartmore Infrmtn & Fin Trust	33.2	44.8	25.9
94	Meldrum Investment Trust	33.2	41.6	22.5
95	Japan Assets Trust	30.5	46.9	11.8†
96	British Empire Securities	30.0	28.7	4.3*
97	"Investing in Success" Equities	30.0	37.1	19.1
98	External Investment Trust	29.9	35.8	8.5†
99	Smaller Companies Trust	28.8	35.8	19.6
100	Murray Ventures	28.2	37.5	24.7

† Trusts with convertible shares in issue. * Premium. ‡ Including "B" shares but excluding equity to be issued on conversion of convertibles or exercise of Warrants. § Including "B" shares and equity to be issued on conversion of convertibles but excluding equity to be issued on exercise of Warrants.

Biggest profit increases (UK)

Rank	Company	Sr	Top 500 Rank	Profit Increase %
1	AE	9	220	4,225.0
2	Lucas Industries	9	136	1,452.3
3	Petranol	51	410	1,100.0
4	RHP Group	6	442	785.7
5	Pentland Industries	35	203	653.8
6	Domino Printing Sciences	5	474	500.0
7	Evered Holdings	6	318	466.6
8	Sovereign Oil & Gas	51	366	425.2
9	Premier Consolid Oilfields	51	277	350.0
10	Cope Allman International	11	339	300.0
11	Ocean Transport & Trading	45	174	298.6
12	Charterhouse Petroleum	51	239	268.7
13	Fisher Albert	26	467	266.6
14	Microgen Holdings	5	385	233.3
15	Grattan	34	257	174.2
16	LEP Group	45	312	167.8
17	Cookson Group	10	164	157.1
18	IBL	5	269	150.0
19	Camellia Investments	70	377	150.0
20	Exco International	70	92	148.3

Biggest profit decreases (UK)

Rank	Company	Sr	Top 500 Rank	Profit Decrease %
1	General Accident	66	38	−94.0
2	Bestobell	6	455	−90.1
3	Westland	9	386	−89.2
4	Royal Insurance	66	22	−88.6
5	Charter Consolidated	66	165	−55.4
6	Bulmer H.P. Holdings	22	329	−53.4
7	APV Holdings	6	298	−53.0
8	Gerrard & National	63	274	−48.5
9	Lilley F.J.C.	3	399	−45.6
10	Johnson Matthey	8	244	−45.0
11	Akroyd & Smithers	70	348	−41.6
12	Midland Bank	62	45	−40.0
13	Kenning Motor Group	9	418	−35.8
14	Sun Alliance & London Ins.	66	42	−35.1
15	Thorn EMI	29	56	−30.9
16	Barratt Developments	3	215	−29.2
17	Samuel Properties	69	375	−27.9
18	Hampton Gold Mining	51	449	−27.2
19	Matthews (Bernard)	25	367	−27.1
20	Guardian Royal Exchange	66	31	−24.4

A-Z List of the UK Top 500

[illegible]

INTERNATIONAL COMPANIES and FINANCE

Triple Australasian food merger sought

BY MICHAEL THOMPSON-NOEL IN SYDNEY

PLANS FOR a merger of three major Australasian food companies emerged yesterday when Fielder Gillespie Davis, an Australian company in the sector, announced takeover offers for Australia's Allied Mills and New Zealand's Goodman Group.

The merged group would be capitalised at around A$925m (US$648m) and have a combined annual turnover of more than A$1.3bn.

The move represents an implied absorption of Fielder, the smallest of the trio, by Allied, a bread and margarine maker, which would in turn be captured by Goodman, New Zealand's biggest baker.

The three are already tangled in an unstable series of cross-holdings, which are in turn only part of a complex patchwork of trans-Tasman interests.

Goodman's shareholders would emerge with just over half the new group's capital, those of Allied with about a third, and Fielder's the remainder.

Arnotss, the Australian biscuit maker, would have about 13 per cent of the new group; Elders-IXL, the aggressive Melbourne conglomerate, about 11 per cent; and Wattie Industries, the New Zealand frozen and canned vegetable group, about 11 per cent. Elders is a big shareholder in Goodman, Goodman in Elders and Goodman in Wattie.

A combined group would in turn own 20 per cent of Arnotts, 14 per cent of Elders, and 32 per cent of Wattie.

Fielder will offer five of its shares for four ordinary shares both in Allied and Goodman. The Allied shares would be acquired ex-dividend. Yesterday, however, the two target companies said only that they were considering the proposal.

Operations of the new group would be concentrated in businesses based on wheat and vegetable oils, including flour, bread, stock feed, starch and margarine.

Australia and New Zealand are moving much closer in trade terms under the impact of the Closer Economic Relations bilateral pact.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$340	55	8.80	—	—	5	14	$324.80
GOLD C	$360	—	—	8	3.50	—	—	"
		Dec.		March		June		
SILVER C	$700	1	5	—	—	—	—	$611
S/FL C	Fl.290	5	7.50	—	—	—	—	Fl.294.40
S/FL C	Fl.295	61	4.50	2	8.30	—	—	"
S/FL C	Fl.300	134	3	85	5.80	—	—	"
S/FL C	Fl.305	95	1.60	85	4	—	—	"
S/FL C	Fl.310	19	0.90 A	85	3	—	—	"
S/FL C	Fl.315	10	0.60	85	2.20 B	—	—	"
S/FL C	Fl.320	20	0.50 A	20	1.40	—	—	"
S/FL C	Fl.330	10	0.30	—	—	—	—	"
S/FL C	Fl.340	300	0.10	—	—	—	—	"
S/FL P	Fl.290	95	4	36	8.50	10	11.50	"
S/FL P	Fl.295	29	5.50 B	—	—	20	14	"
S/FL P	Fl.300	85	8.50	45	13.90	—	—	"
S/FL P	Fl.305	12	12.10	—	—	—	—	"
S/FL P	Fl.320	5	17	—	—	—	—	"
S/FL P	Fl.315	26	20.50	—	—	—	—	"
S/FL P	Fl.320	—	—	—	—	5	31.50	"
S/FL P	Fl.325	20	31 A	—	—	—	—	"
$/DM P	DM.270	100	11	—	—	—	—	DM261.15
		Jan.		Apr.		July		
ABN C	Fl.520	355	29.30	5	32.50	—	—	Fl.559
ABN P	Fl.540	122	14.10	8	18	—	—	"
AEGN C	Fl.90	200	10	14	13.50	—	—	Fl. 98.80
AEGN P	Fl.100	18	4.20	—	—	—	—	"
AH C	Fl.270	59	14.50	17	18	—	—	Fl.275.50
AH P	Fl.270	22	4.70 B	9	7.50	—	—	"
AKZO C	Fl.120	368	8.10	64	11.20	53	12.50	Fl.125.80
AKZO C	Fl.150	500	2.80 B	229	5.50	102	6.50	"
AKZO P	Fl.220	273	2.50	140	3.80	—	—	"
AMRO P	Fl.85	603	10.50	18	12.30	—	—	Fl. 93
AMRO C	Fl.90	306	7	198	8.40	5	8.70 B	"
AMRO C	Fl.95	344	3.40	174	4.50 B	27	5.50	"
AMRO P	Fl.95	181	2.50	34	3.50	5	4.70	"
GIST C	Fl.240	73	9.80	4	16	—	—	Fl.242.50
GIST P	Fl.240	38	6.60	4	9	—	—	"
HEIN C	Fl.170	153	15	10	15.70	—	—	Fl.185
HEIN P	Fl.170	38	1.50	12	3.40	22	5	"
HOOG C	Fl.65	899	3.60	105	5.10	—	—	Fl. 65.90
HOOG P	Fl.65	203	2	65	3	—	—	"
KLM C	Fl.55	597	2.30	84	3.30	21	4.50	Fl. 52.40
KLM C	Fl.60	323	0.90	33	2	7	2.90	"
KLM P	Fl.50	265	1.30 B	—	—	—	—	"
NEDL C	Fl.290	41	4.20	23	9	—	—	Fl.182.80
NEDL P	Fl.170	—	—	29	2.50	—	—	"
NATN C	Fl.75	46	2.80	—	—	—	—	Fl. 75
NATN P	Fl.75	—	—	26	3.20	—	—	"
PHIL C	Fl.45	410	4	70	5.50	2	5.80	Fl. 48.60
PHIL C	Fl.50	1185	1.40	184	2.60 B	11	3.40	"
PHIL P	Fl.45	736	1.20	45	1.80	246	2.30	"
PHIL P	Fl.50	904	3.40	140	3.90	45	4.80 B	"
RD C	Fl.290	305	5.10	108	9	27	11	Fl.187.40
RD C	Fl.200	505	2	132	4.60	—	—	"
RD P	Fl.190	138	5.20	340	7	2	9	"
ROBE C	Fl.75	—	—	3	3.80	—	—	Fl.76.40
ROBE P	Fl.75	—	—	—	—	5	2.30	"
UNIL C	Fl.360	354	9.10	22	16.50	10	19.50	Fl.357
UNIL P	Fl.320	98	1.60	29	3.70	—	—	"

TOTAL VOLUME IN CONTRACTS: 20,062

A=Ask B=Bid C=Call P=Put

Grumman profits dive in third quarter

By Terry Byland in New York

GRUMMAN, the defence and civilian vehicle manufacturer, may acquire or invest in Fairchild Industries' aerospace division, which was put on the block a month ago. Fairchild's Long Island facilities make trainer aircraft for the U.S. Air Force, while Grumman, also based in Long Island, is the 11th largest US military contractor.

Grumman's earnings for the third quarter tumbled from $29.8m or 99 cents a share to only $8.3m or 24 cents because of a $30m charge for the estimated cost of strengthening and repairing 248 F-14 aircraft, which the U.S. Navy stopped accepting in April when faults were discovered in the landing gear. Sales increased by 18 per cent to $775.9m.

Nine-month earnings were $58.4m or $1.89 a share, a dip of 27 per cent, although sales rose from $1.9bn to $2.3bn.

Mr John Bierwirth, chairman, said the lower earnings overshadow Grumman's "overall financial strength." With a funded order backlog of $5.6bn, the board remains confident of "a stronger, more profitable business base for the future."

Ayer Hitam Tin ahead

By Kenneth Marston, Mining Editor

Malaysia's Ayer Hitam Tin Dredging reports a pre-tax profit for the year to June of 12.1m ringgit (£3.5m), compared with 8.8m ringgit ($3.6m) in the previous 12 months.

Adjustments for prior years have swelled the latest tax charge to leave a net profit of 5.7m ringgit, equal to 94 cents per share, against 5.2m ringgit.

The final dividend is lifted to 90 cents, making a total for 1984-85 of 155 cents against 140 cents. All payments are less tax at 40 per cent.

Saurer order book sluggish

SAURER, a major Swiss textile machinery maker with interests in truck manufacturing, says that sluggish orders and continuing costs of its restructuring are weighing on profits, AP-DJ reports from Ardon.

However, its directors say they still expect the parent company to remain in the black in 1985, although profit will be below last year's net SFr 5.4m ($2.5m). That was Saurer's first profit after five years of losses.

Revlon admits defeat after court backs Pantry Pride

BY PAUL TAYLOR IN NEW YORK

REVLON, the US cosmetics and health care group, yesterday admitted defeat in its 10-week-old battle to fend off a $1.83bn hostile takeover bid by Pantry Pride, the Florida-based supermarkets group.

The move came after the Delaware Supreme Court upheld a landmark ruling blocking a "lock-up" option that Revlon granted to Forstmann Little, the New York investment bank, which had been seeking to acquire Revlon with a friendly $1.81bn leveraged buyout offer. Under the provision, Revlon had granted Forstmann Little an option to acquire two of its key operations for $525m.

In the immediate wake of the court ruling Revlon said it "would do nothing to impede the tendering of shares" under Pantry Pride's revised $58-a-share cash offer. "This ends the 'battle,'" said Mr Roger Shelley, a Revlon vice-president.

Mr Shelley said: "Management would have to be made of stone not to feel disappointment," but added: "We see this as a victory for shareholders," who have seen their holdings increase in value from the mid-$30s since before the takeover battle began.

The Delaware court decision had also been eagerly awaited by investment bankers and lawyers involved in the battle for control of SCM, the New York industrial group.

Britain's Hanson Trust and Merrill Lynch, the Wall Street securities company, are locked in a fierce legal battle over their rival bids for SCM, which has used a similar lock-up option as part of its defences against Hanson.

Lawyers for both Hanson and Merrill Lynch have filed court paper citing the Revlon ruling but disagreeing over its relevance to the SCM case, which is due to continue next week.

In the meantime Pantry Pride's tender offer for Revlon was due to expire at midnight last night. In the wake of the court decision the group said it would accept all Revlon shares tendered. Revlon has 38.3m outstanding common shares.

● Meanwhile Beatrice Companies, the U.S. food and consumer products conglomerate which is subject to a $5.12bn leveraged buy-out bid by Kohlberg Kravis Roberts, has agreed to open negotiations with the New York investment group but told its investment bankers to explore "all alternatives."

Sanko loans write-off hits KHI

BY YOKO SHIBATA IN TOKYO

KAWASAKI Heavy Industries (KHI), the Japanese engineering group, suffered a 26 per cent fall in unconsolidated pretax profits to Y2.64bn ($12.6m) in the half-year to September, weighted down by its shipbuilding division and the higher value of the yen against the dollar.

Net profits shrunk to Y20m from Y4.89bn, after an extraordinary debit totalling Y2.05bn. This related to a Y1.5bn write-off of irrecoverable loans to the bankrupt Sanko Steamship and a Y250m loss on Sanko shares. Shipbuilders took stakes in Sanko when the company increased its capital twice in 1983 through private placements, in return for orders for bulk carriers.

KHI's half-year sales rose 11.8 per cent to Y341.07bn. Turnover in the shipbuilding sector rose 14 per cent to account for 14.4 per cent of the total, with delivery of seven new ships worth Y37.2bn. Plant engineering sales rose 44.2 per cent, and those in its aircraft business 16 per cent. On the other hand, rolling stock and motorcycle sales fell 28 per cent.

Exports, adversely hit by the yen's appreciation, declined by 3.8 per cent to account for 37.9 per cent of total turnover.

For the current half-year the company foresees further deterioration in shipbuilding. Full-year sales of Y720bn are predicted, almost unchanged from last year's Y715bn. The company declined to comment on the earnings outlook, but hopes to maintain the dividend of Y3 a share.

Sharp 10% ahead at half-time

BY OUR TOKYO STAFF

SHARP, THE Japanese electrical company, fared relatively well in the negative industry environment of the six months to September, with pre-tax profits moving ahead 10.5 per cent to Y34.08bn ($161.5m).

Net profits were 10.1 per cent higher at Y18.26bn, on turnover which at Y494.09bn was 10.6 per cent up. Net earnings per share were Y24.96 compared with Y23.10.

Sales of electronic equipment, principally video cassette recorders and television sets, advanced by 14 per cent. Sales of home electric appliances rose 19 per cent, reflecting strong sales of air conditioners helped by the hot summer weather. Industrial electronics turnover was up by 5.5 per cent, reflecting demand for word processors and facsimile equipment.

Sharp's high proportion of exports, accounting for 61.7 per cent (up by 17 per cent) had been vulnerable to the adverse impact from the yen's steep appreciation during the half-year. But the company earned Y6bn through forward foreign exchange contracts.

Full-year taxable profits are projected at Y66.8bn, up 5 per cent, and net profits at Y35.5bn, ahead by 5 per cent, on turnover of Y980bn, a rise of 8 per cent. The dividend is expected to be maintained at a Y11 a share total.

Operating loss for Swedyard

BY DAVID BROWN IN STOCKHOLM

SVENSKA VARV (Swedyard), the troubled Swedish state-owned shipbuilding group, has registered operating losses of SKr 231m ($29.4m) for the first eight months of 1985, compared with profits of SKr 76m for the same period last year.

But provisions for bad ship loans were significantly lower following the Government's recent controversial decision to transfer these mortgages into a separate company.

Moreover, a strong improvement in net interest income partially stemming from this transfer of ships led to a positive SKr 30m profit before allocation and taxes.

The management said, however, "there is a risk that (restructuring) expenses will reduce the group's overall earnings to below the break-even point." But it added that it expected to cut full-year losses substantially from the SKr 1bn recorded in 1984.

Most of its industrial operations reported better results, but the shipbuilding, ship repair and offshore sectors remain highly troubled.

● Forsinvest, the holding company associated with Mr Gustav Douglas, the Swedish financier, has agreed to sell its 71 per cent voting stake in the Herakles group for SKr 420m. It has been sold to Proventus which is linked with Mr Robert Weil, another Swedish entrepreneur.

● Södra Skogsägarna, the leading Swedish supplier of market pulp, reports a sharp 57 per cent drop in profits to SKr 600m after financial costs.

Group sales declined by 8 per cent to SKr 3.12bn from SKr 3.39bn.

Kleinwort wins Japanese broking licence

By Our Financial Staff

THE JAPANESE Ministry of Finance (MoF) announced yesterday that it has granted a securities licence to Kleinwort Benson, the British merchant bank. Confirmation of the expected decision followed protracted negotiations in which Kleinwort's application became enmeshed in bilateral issues of financial deregulation.

The MoF also awarded a licence to Drexel Burnham Lambert of the U.S. The approvals bring to 14 the number of foreign financial houses authorised to deal in securities within Japan.

WORLD STOCK MARKETS

NEW YORK

WALL STREET

Dow hits new all-time peak

Stocks were driving higher on Wall Street yesterday. Buoyed by hopes for lower oil prices. The Oil group was in retreat but Technology stocks, Motors and Airlines moved ahead.

By 1 pm the Dow Jones Industrial Average was up 8.60 to a new all-time high of 1,382.91—7.34 up on its previous best of 1,375.57 of October 30—and 26.39 up on the week. The NYSE All Common index, at $110.04, rose 39 cents on the day and $1.68 on the week. Advances led declines by a four-to-three margin in a volume of 92.527m shares.

Traders also said some buy programmes related to stock index futures also boosted the averages.

Thomas Ryan of Kidder, Peabody said the market advanced on the "supposition that oil prices are heading lower," with investors concluding any sharp drop in price would mean low inflation.

The interest in oil prices came after the United Arab Emirates Oil Minister said Opec members were free to sell oil at any price. But some oil experts were sceptical, noting that the Minister had no authorisation to make the statement.

Beatrice led the active, off $½ to $43¼.

In Oils, Mobil were off $⅞ to $31⅛, Atlantic Richfield $⅞ to $65¼, Chevron $⅞ to $38⅞, Ohio Standard $½ to $51¼ and Texaco $½ to $35⅞.

IBM rose $⅞ to $128⅞. Digital Equipment $⅞ to $113½ and Cray Research $1 to $55⅜.

Du Pont improved $1 to $63⅛, amid rumours it might try to buy its own shares now held by Seagram Co.

Among Airlines, AMR advanced $1⅛ to $39⅞, US Air Group $1⅛ to $30⅛, and UAL $⅞ to $48⅛.

Closing prices for North America were not available for this edition

Pantry Pride, which won the battle to acquire Revlon, firmed $⅞ to $7⅛. Revlon put on $⅜ to $57⅞.

THE AMERICAN SE Market Value index gained 0.45 to 229.06 making a rise of 2.29 on the week. Volume 5.89m shares.

Tie Communications led the actives, up $⅞ to $5¼. Wang Laboratories "B" firmed $⅛ to $18⅞.

CANADA

Stock prices were higher in active midsession trading, with most stock groups sharing in the gain.

The Toronto Composite index rose 14.4 to 2,689.2 and Oil and Gas 1.7 to 3,265.8. But the Gold index lost 10.1 to 4,131.6.

Inco, which Thursday asked the London Metal Exchange to halt nickel trading, were active and ahead $⅛ to $15⅛.

Banks recovered from Thursday's losses, when Continental Bank of Canada said it arranged to borrow funds from the Central Bank and other major chartered banks because of a recent deterioration in the tone of its deposits.

TOKYO

A tumble in Bond prices and the yen's upturn combined to send Tokyo share prices sharply lower in moderate trading.

The Nikkei Dow average plunged 128.37 to 12,808.10 in a turnover of 360m (280m) shares.

Traders said the yen's advance in the Tokyo currency market, which sent the dollar down below Y210.00 during the day, hurt Blue Chips. Also, they said, substantial Bond price declines weighed heavily on the market.

Pharmaceuticals suffered setbacks, as did "large" capitals like Steels and Heavy Electricals.

Traders said selling bred further selling and the losses snowballed as the session progressed.

Prices went down steadily throughout th session. In the first 15 minutes, the Nikkei average was down 15.13. It showed a drop of 22.18 after one hour and a 60.14 fall at the end of the morning session. The loss widened sharply in the afternoon.

Some traders also said news of a surge in foreign debt in developing countries damped investor spirits.

Mitsubishi Estate climbed Y20 to 1,150 meeting a burst of buy orders at the outset totalling some 5m shares. Traders pointed to speculation of a possible strong earnings gain as a result of surging land prices in the Greater Tokyo area.

HONG KONG

Higher in very active trading as overseas institutions returned to the market as aggressive buyers. Late profit-taking trimmed some early gains but the market looked firmly in an uptrend.

The Hang Seng index, which rose some 22 points at the morning close, finished 15.26 up at 1,680.65.

Brokers said several stocks are at three-year highs and the index could soon breach the 1,700 mark and set a new high for the year. Its highest point this year was 1,711.51 on August 19.

"Small" investors were also in the market, boosting turnover to SHK405.43m (SHK505.36m).

Properties led the rise. Banks were also higher and Electronics gained ground.

SINGAPORE

Mixed, after profit taking pared earlier gains brought about by a Government announcement that it plans to release part of the Central Provident Fund savings to invest in shares, loan stocks and gold.

The Straits Times Industrial index rose 1.33 to 767.94, while the SE index shed 0.98 to 275.13. Trading was fairly active but interest selective. Turnover 18.8m (7.7m) shares.

Hotels, Properties and Commodities were easier.

But Malaysian stocks suffered from heavy selling, as investors became increasingly pessimistic about the commodity-based country's economy. Thursday's announcement by UAE Oil Minister Oteiba that members of Opec are free to set their own prices raised fears of a future drop in oil prices. Crude Petroleum was Malaysia's top commodity export earner in 1984.

AUSTRALIA

Share markets suffered their sharpest fall since mid-1983, with the main market indicator falling more than 20 points on reports that OPEC members were now free to set their own oil prices.

The possibility the London Metals Exchange may suspend nickel trading also depressed the market.

The All Ordinaries index fell 20.5 to 1008.5, the All Industrials 18.7 to 1500.2, the ll Resources 21.4 to 626.0, the Gold index 18.8 to 959.7, Metals and Minerals 16.7 to 493.6 and Oil and Gas 23.7 to 659.8.

National turnover 68.7m (52.2m) shares, worth $A101.0m ($A68m), with falls outnumbering rises 352-to-119.

Mining shares led the market decline, with BHP, Australia's largest oil producer falling 28 cents to $A8.14.

News that Inco has asked the London Metal Exchange to suspend nickel trading because prices were being unduly affected by the collapse in tin prices forced Australia's biggest nickel producer, Western Mining to drop 23 cents to $A3.25.

Australian tin producer Aberfoyle fell 20 cents to $A9.40.

Gold issues met with selling pressure, as Kidston fell 20 cents to $A5.30, Central Norseman also 20 cents to $A7.40, and Niugini Mining 10 cents to $A2.25.

GERMANY

Mostly higher in active trading, with purchases from abroad again providing most of the upward impetus.

The Commerzbank index was unquoted, due to the All Saints Day holiday. The holiday closed the Duesseldorf bourse, as well as other regional stock trading floors in southern and western Germany. The index was at a record high 1,770.3 Thursday.

Brokers had anticipated a relatively quiet session because of the holiday and upcoming weekend. Instead, trading was brisk as foreign investors bought heavily. Domestic investors also became active buyers late in the session.

There were a number of sharp price swings among Electrical, Chemical, Motor and Machine Maker stocks.

Electrical issue AEG rebounded DM 16.50 to 250.5 — Thursday's decline came on news that Daimler-Benz reiterated its refusal to sweeten its DM 170.00 a share bid for outstanding AEG shares.

CANADA

AUSTRIA

GERMANY

NORWAY

AUSTRALIA (continued)

JAPAN (continued)

BELGIUM/LUXEMBOURG

SPAIN

DENMARK

SWEDEN

HONG KONG

ITALY

SWITZERLAND

FRANCE

NETHERLANDS

JAPAN

SINGAPORE

SOUTH AFRICA

Indices

NEW YORK

DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

TORONTO

NEW YORK ACTIVE STOCKS

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CURRENCIES and MONEY

FOREIGN EXCHANGES

Dollar very weak

The dollar fell below Y210 yesterday to close at Y208.85 down from Y211.45 on Thursday and its lowest level since March 1981. Renewed intervention by the Bank of Japan prompted the decline. However dollar sentiment was already bearish, following Thursday's poor economic data which included a record trade deficit and lower than expected factory orders and leading economic indicators.

Yesterday's mildly encouraging unemployment figures provided only a temporary boost and there was little incentive to carry long positions over the weekend in the face of central banks' determination to suppress the value of the dollar. Against the D-mark the dollar fell to its worst closing level since March 1984 at DM 2.6000, down from DM 2.6160 on Thursday. Elsewhere it slipped to SFr 2.1375 from SFr 2.1500 and FFr 7.9425 compared with FFr 7.9750. On Bank of England figures, the dollar's exchange rate index fell from 129.5 to 129.4.

Dollar *sentiment* was also affected by the proximity of a vote on the US balanced budget amendment which should lead to lower rates. In addition rates may be forced down on recent fears about debt problems in South America and downward pressure on commodity prices.

Sterling finished above the day's lows but down from Thursday's closing level. Suggestions that Opec nations could set their own level of oil prices depressed the pound during the morning although later denials prompted some recovery. Sterling's index closed at 80.4 down from 80.9 on Thursday but up from an opening level of 80.2 and a low during the day of 80.1.

Against the dollar it finished at $1.4400-1.4410, a fall of just 5 points. It was weaker against the D-mark at DM 3.7525, down from DM 3.77 and Y300.75 compared with Y304.75. Elsewhere it slipped to SFr 3.0800 from SFr 3.0975 and FFr 11.4425 from FFr 11.4925.

£ IN NEW YORK

	Nov. 1	Prev. close
£ Spot	$1.4405-4415	$1.4420-4450
1 month	0.45-0.43 pm	0.45-0.43 pm
3 months	1.28-1.24 pm	1.28-1.24 pm
12 months	3.80-3.70 pm	3.80-3.70 pm

Forward premiums and discounts apply to the U.S. dollar

STERLING INDEX

	Nov 1	Previous
8.30 am	80.2	81.0
9.00 am	80.1	80.9
10.00 am	80.2	80.9
11.00 am	80.2	81.0
Noon	80.5	81.0
1.00 pm	80.4	80.9
2.00 pm	80.4	80.9
3.00 pm	80.4	81.0
4.00 pm	80.4	80.9

DOLLAR SPOT — FORWARD AGAINST DOLLAR

Nov 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4285-1.4405	1.4400-1.4410	0.44-0.41c pm	3.54	1.31-1.26pm	3.57
Ireland†	1.1800-1.1885	1.1870-1.1880	0.22-0.12c pm	1.72	0.75-0.50pm	2.11
Canada	1.3662-1.3694	1.3684-1.3694	0.05-0.08c dis	−0.57	0.17-0.22dis	−0.57
Nethlnd.	2.9350-2.9540	2.9410-2.9420	0.41-0.38c pm	1.61	1.26-1.23pm	1.69
Belgium	N/A	53.05-53.15	2-4c dis	−0.68	7-11dis	−0.68
Denmark	9.43-9.50	9.44½-9.45	½-1ore dis	−0.95	1¾-2¼dis	−0.85
W. Ger.	2.5990-2.6190	2.5995-2.6005	0.72-0.67pf pm	3.15	1.97-1.92pm	2.94
Portugal	161½-163	162-163	125-300c dis	−15.69	450-1050dis	−18.46
Spain	160.02-160.70	160.20-160.50	50-70c dis	−4.50	185-265dis	−5.50
Italy	N/A	1,761-1,762	7½-8½ lire dis	−5.46	23-25dis	−5.46
Norway	7.84-7.87	7.84¾-7.84¾	2¾-3¼ore dis	−4.58	8¾-9¼dis	−4.58
France	7.9340-7.9880	7.9420-7.9430	0.82-0.92c dis	−1.31	3.40-3.70dis	−1.79
Sweden	7.84-7.86¾	7.85-7.85½	4-4½ore dis	−6.49	12¼-12¾dis	−6.37
Japan	208.80-210.20	208.80-208.90	0.10-0.05y pm	0.43	0.18-0.13pm	0.30
Austria	N/A	18.30-18.34	3½-2¾gro pm	2.05	10½-8pm	2.02
Switz.	2.1365-2.1520	2.1370-2.1380	0.73-0.68c pm	3.95	1.90-1.85pm	3.50

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.15-53.25.

CURRENCY RATES

Nov. 1	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.745614	N/A
U.S.$	7½	1.07376	"
Canadian $	8.77	*	"
Austria Sch.	4	N/A	"
Belgian Fr.	9	N/A	"
Danish Kr.	7	10.1542	"
D mark	4	N/A	"
Guilder	5	3.15852	"
French Fr.	9½	N/A	"
Lira	15½	N/A	"
Yen	5	225.709	"
Norway Kr.	8	8.43991	"
Spanish Pta.	—	N/A	"
Swedish Kr.	10½	8.42786	"
Swiss Fr.	4	2.30026	"
Greek Dr'ch	20½	N/A	"
Irish Punt	—	N/A	"

*CS/SDR rate for October 31: 1.46452.

CURRENCY MOVEMENTS

Nov. 1	Bank of England Index	Morgan Guaranty Change %
Sterling	80.4	−10.0
U.S. dollar	129.4	+17.4
Canadian dollar	85.6	−9.0
Austrian schilling	118.9	+8.3
Belgian franc	92.0	−8.7
Danish Kroner	81.7	−3.7
Deutsche mark	128.1	+9.9
Swiss franc	151.5	+12.4
Guilder	116.1	+8.5
French franc	68.8	−13.6
Lira	44.6	−19.6
Yen	173.8	+26.4

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

Nov. 1	£	$
Arg'tina	1.1495-1.1519	0.8000-0.8010
Australia	2.0690-2.0650	1.4331-1.4355
Brazil	12,382-12,382	8,580-8,590
Finland	8.0560-8.0785	5.6005-5.6110
Greece	217.48-223.18	151.75-154.91
H'kong	11.2186-11.2320	7.8050-7.8060
Iran	125.50*	86.15*
Kuwait	0.4210-0.4220	0.29250-0.29255
Lux'burg	76.55-76.65	53.15-53.25
Malaysia	3.5200-3.5300	2.4525-2.4575
N'Z'land	N/A	N/A
Saudi Ar.	5.2415-5.2475	3.6490-3.6505
Sin'pore	3.0500-3.0600	2.1260-2.1290
S.Af.(Cm)	3.6915-3.7315	2.5620-2.5930
S.Af.(Fn)	8.3385-8.3490	5.6697-5.8095
U.A.E.	5.2745-5.2800	3.6720-3.6730

* Selling rate.

EXCHANGE CROSS RATES

Nov. 1	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.441	3.753	300.8	11.44	3.080	4.238	2538.	1.973	76.50
$	0.694	1.	2.605	208.8	7.943	2.138	2.942	1762.	1.369	53.11
DM	0.266	0.384	1.	80.15	3.049	0.821	1.129	676.2	0.526	20.39
YEN	3.325	4.790	12.48	1000.	38.05	10.24	14.09	8437.	6.559	254.4
F Fr.	0.874	1.259	3.279	262.8	10.	2.692	3.703	2218.	1.724	66.86
S Fr.	0.325	0.468	1.218	97.66	3.715	1.	1.376	823.8	0.640	24.84
H Fl.	0.236	0.340	0.886	70.97	2.700	0.727	1.	598.8	0.465	18.05
Lira	0.394	0.568	1.479	118.5	4.509	1.214	1.670	1000.	0.777	30.15
C $	0.507	0.730	1.902	152.5	5.801	1.561	2.148	1286.	1.	38.79
B Fr.	1.307	1.883	4.905	393.1	14.96	4.026	5.539	3317.	2.578	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belg Fr per 100.

EURO-CURRENCY INTEREST RATES

Nov. 1	Short term	7 Days notice	1 Month	Three Months	Six Months	One Year
Sterling	11⅛-11⅜	11⅛-11⅜	11⅜-11½	11⅜-11½	11⅜-11½	11¼-11⅜
U.S. Dollar	8⅛-8¼	7⅞-8	7⅞-8	8-8⅛	8-8⅛	8⅛-8¼
Can. Dollar	7⅞-8⅛	7⅞-8⅛	8⅛-8⅜	8⅛-8⅜	8⅝-8⅞	8⅞-9⅛
D Guilder	6⅛-6⅜	6⅛-6⅜	6⅛-6¼	6⅛-6¼	6¼-6⅜	6⅜-6½
Sw. Franc	⅛-¼	3-3¼	3½-3⅝	4-4⅛	4⅛-4¼	4¼-4⅜
Deutschmark	4⅜-4½	4⅜-4½	4⅜-4½	4⅜-4½	4½-4⅝	4⅝-4¾
Fr. Franc	8⅞-9⅛	9¼-9½	9½-9⅝	9¼-9⅜	9¼-9⅜	9½-9⅝
Italian Lire	13-15½	13½-14½	13½-14	13½-13¾	13¼-13¾	13½-13¾
B.Fr.(Fin)	8¼-8½	8¼-8½	8½-8⅞	8½-8⅞	8½-8⅞	8½-8⅞
B.Fr.(Con)	8¼-8½	8¼-8½	8¼-8⅝	8½-8⅞	8½-9	8½-8⅞
Yen	6⅜-6¾	6⅞-7	7-7⅛	7⅛-7¼	7⅛-7¼	7-7¼
D. Krone	6-6½	8¼-8¾	8⅞-9⅛	8⅞-9	8¾-9	8⅞-9
Asian $ (Sng)	7⅞-8	7⅞-8	7⅞-8	7⅞-8	8-8⅛	8⅛-8¼

Long-term Eurodollars: two years 9⅛-9⅜ per cent; three years 9⅜-9⅝ per cent; four years 9⅝-10 per cent; five years 9⅞-10⅛ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

Rates firm on weaker pound

Interest rates were *slightly* higher in London yesterday in reaction to sterling's weaker trend. Trading was mostly rather quiet and uneventful and sterling's decline, after suggestions that oil prices could fall, was the only factor of any note and the only one to influence the market. Later counter claims that oil prices were not free to float provided little impetus in a market already geared towards accommodating the weekend.

Three-month interbank money finished at 11½-11⅜ per cent compared with 11⅜-11¼ per cent while three-month eligible bank bills were bid at 11⅜ per cent, unchanged from Thursday. Weekend interbank money traded between 12 per cent and 10 per cent.

The Bank of England forecast a shortage of around £1,100m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £821m and Exchequer transactions a further £310m. In addition banks brought forward balances £5m below target and there was a rise in the note circulation of £260m. To help alleviate the shortage, the Bank offered an early round of assistance which totalled £154m and comprised purchases of £79m of eligible bank bills in band 2 at 11⅜ per cent, £31m in band 3 at 11⅜ per cent and £44m in band 4 at 11⅜ per cent.

The forecast was later revised to a shortage of around £1,050m and the Bank gave additional help in the morning of £597m. £90m of this was outright through purchases of £39m of eligible bank bills in band 2 at 11⅜ per cent, £26m in band 3 at 11⅜ per cent and £25m in band 4 at 11⅜ per cent. It also arranged sale and repurchase agreements on £507m of bills at 11⅜-11⅞ per cent, £338m for repurchase on November 11 and £169m on November 14.

Once again the forecast was revised, this time to a shortage of around £1,000m before taking into account the earlier help and the Bank gave additional assistance of £155m through purchases of £3m of eligible bank bills in band 1 at 11⅜ per cent, £85m in band 2 at 11⅜ per cent, £46m in band 3 at 11⅜ per cent and £21m in band 4 at 11⅜ per cent. Total assistance came to £906m.

UK clearing banks base lending rate 11½ per cent since July 30

FT LONDON INTERBANK FIXING

(11.00 a.m. Nov. 1)

Three months U.S. dollars		Six months U.S. dollars	
bid 7 15/16	offer 8 1/16	bid 7 15/16	offer 8 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

Nov. 1	Over-night	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	4.50-4.60	4.65-4.75	4.80-4.90	4.90-5.00	4.95-5.05	5.5
Paris	8⅞	9⅛-9¼	9⅛-9¼	9⅛-9¼	9¼-9⅜	8¼
Zurich	—	3¼-3½	—	4¼-4½	4⅛-4¼	—
Amsterdam	6⅛-6⅜	6¼-6⅜	—	6¼-6⅜	6¼-6⅜	—
Tokyo	7.03125	7.59375	7.6875	7.78125	—	—
Milan	15-15⅝	15-15¼	—	14¼-14⅜	—	—
Brussels	7.90	8¾-8⅞	—	8⅝-8¾	8¾-9	—
Dublin	10-10¼	9¼-10	9¾-10	9⅞-10	9⅞-10¼	—

LONDON MONEY RATES

Nov. 1	Over-night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	10-12	11⅛-11⅜	11⅜-11½	11½-11⅜	11½-11⅜	11¼-11⅛
Sterling CDs	—	—	11⅜-11¼	11⅜-11¼	11¼-11⅛	11⅛-11
Local Authority Deps	11⅛-11⅜	11⅛-11⅜	11½	11⅜	11¼	—
Local Authority Bonds	—	—	11⅞	11¾	11⅝	—
Discount Mkt Depos	10-11⅛	11⅛	11⅜	11⅜	—	—
Company Depos	11-11⅛	11⅜	11½	11½	—	11⅛
Finance House Depos	—	—	11⅝	11⅝	11½	—
Treasury Bills (Buy)	—	—	11⅜	11⅜	—	—
Bank Bills (Buy)	—	—	11⅜	11⅜	—	—
Fine Trade Bills (Buy)	—	—	11⅞	11⅞	11¾	—
Dollar CDs	—	—	7.9-7.9	7.9-7.95	7.95-7.95	8.05-8.15
SDR Linked Depos	—	—	7⅞-7⅝	7⅞-7⅝	7⅞-7⅝	7⅝-7½
ECU Depos	—	—	8⅝-8½	8½-8⅜	8½-8⅜	8⅜-8¼

Treasury Bills (sell): one-month 11⅛ per cent; three-months 11⅛ per cent. Bank Bills (sell): one-month 11⅜ per cent; three-months 11⅜ per cent. Treasury Bills: Average tender rate of discount 11.1373 per cent. ECGD Fixed Finance IV: Average reference rate for period October 2 to October 29 (inclusive): 11.097 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 12 per cent from November 1, 1985. Bank Deposit Rates for sums at seven days' notice 6.25-6.625 per cent. Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 11⅛ per cent; one-three months 11⅞ per cent; three-six months 11⅝ per cent; six-nine months 11⅝ per cent; nine-12 months 11 per cent. Under £100,000 10⅞ per cent from October 2. Deposits held under Series 5 11 per cent. Deposits withdrawn for cash 7⅛ per cent.

COMMODITIES AND AGRICULTURE

REVIEW OF THE WEEK

Tin crisis dominates base metals markets

BY RICHARD MOONEY

FEARS FOR the future of the tin market, following the collapse of the International Tin Agreement's price support operation last week, remained the overriding obsesion on the London Metal Exchange this week.

For most of the week trading was kept to a respectful minimum as news of the patient's progress was awaited. And the news was not good. A meeting of the International Tin Council on Tuesday and Wednesday failed to come up with any solution to the problem and adjourned its deliberations until *November 12—since brought* forwardu to November 6—condemning the LME tin market to at least a second week of *suspension*.

Fears that "suspension sickness" might spread to the other LME markets were quickly discounted but the *sufferings* of the tin market still had a dispiriting effect on base metals prices.

With half the exchanges 28 members owed large sums of money by the ITC, which has so far refused to confirm that it *will honour its obligations*, traders were understandably reluctant to do business with each other because of the risk of de*fault. This risk is not com*pletely ruled out simply by avoiding trading with the ITC's creditor firms because de*afults could have a domino* effect, transmitted through other metals, from which even firms which never traded in tin would not be immune.

As often happens at the end of a week of sharp falls the markets cheered up somewhat yesterday. But they were all well down on balance.

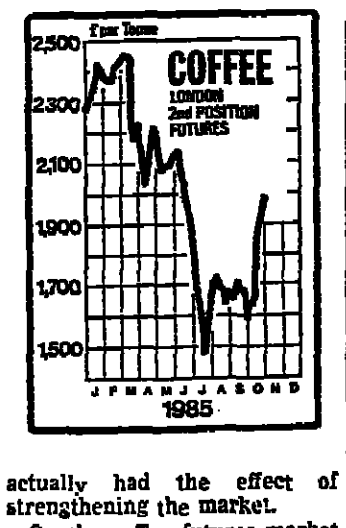
The biggest fall was in copper with cash higher grade metal ending £39 down at £950 a tonne. But proportionately this was exceeded by cash zinc's *£18.50 net decline to £407* a tonne, despite yesterday's £34.50 recovery.

At the bottom zinc prices reached the lowest levels for more than three years as the knock-on effect of the tin crisis exaggerated the existing extreme weakness of the market, reflecting continuing substantial oversupply of the metal.

Ironically yesterday's strong recovery was encouraged by news of producer price cuts in the US and Europe. Noranda cut its US price by 3 cents to 35 cents a lb and its Canadian price by 4 Canadian cents to 48 cents a lb while in Europe Australian Mining and Smelting Europe and Cominco reduced their prices by $60 to $670 a tonne and Billiton of the Nether*lands cut its by $70 to $660* a tonne. But the new prices are still significantly above the free market level (the LME cash *price is equivalent to $587 a* tonne) and so the moves actually had the effect of strengthening the market.

On the coffee futures market deepening concern about the extent of damage to the Brazilian crop from the recent drought pushed prices sharply higher. And the upward move was also encouraged by ship*ment worries in Uganda*, where the rebel National Resistance Army has cut supply routes to Kampala.

*The advance slowed in mid*week following reports of rain in Brazil. But though the reports were confirmed many *London dealers thought the* rain would be too little and too late to affect the level of drought damage significantly. *Recent estimates* have put the damage to the 1986 crop at up to 10m bags (60 kilos each), which would reduce it to *between 16m and 18m bags*. It has even been suggested that Brazil might lose the number one spot in the world *coffee production league to* Colombia. The January futures position rose £105 yesterday to £1,993 a tonne, taking the *rise on the week to £205* a tonne.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1985 High	1985 Low
METALS					
Aluminium	$995/1015	−5	$1200/1230	$1180/1210	$975/995
Free Market	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Antimony	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market 99.6%	$2780/2830	+40	$3400/3550	$3075/3150	$2550/2650
Copper-Cash High Grade	£950	−39	£1091	£1359	£943.5
3 months Do. Do.	£975.75	−28.75	£1115.5	£1331.75	£966.25
Gold per oz	$324.75	−1.00	$342.5	$338.75	$284.7
Lead Cash	£262.5	−15	£335.5	£391.5	£255.5
3 months	£272.5	−8.75	£340.25	£353.5	£271.25
Nickel market c.i.f. 16	185/205c	−7.5	214/234c	252/282c	175/185c
Free					
Palladium	$101.40	−1.00	$145.50	$129.55	$93.50
Platinum per oz	$331.35	−1.50	$351.50	$342.35	$241.35
Quicksilver (76 lbs)	$265/275		$300/310	$300/310	$250/260
Silver per oz	431.40p	+1.65	592.50p	578.90p	431.40p
3 months per oz	432.90p	−10.95	606.90p	595.30p	432.90p
Tin cash	‡		£9675	£10,335	£8607.5
3 months	‡		£9662.5	£10,032.5	£8492.5
Tungsten Ind.	$70.73		$80.43	$83.80	$66.75
Wolfram (22.04 lb)	$62/68		$80/84	$78/78	$56/60
Zinc cash	£407	−18.5	£642.75	£657.5	£372.5
3 months	£418.5	−14.25	£646.25	£655	£392.5
Producers	$660/730	−35	$900	$960	$660/730
GRAINS					
Barley Futures	£110.05	−1	£110.50	£117.40	£96.00
Maize French	£134.50x	−1.50	‡	£152.50	£129.50
WHEAT Futures	£109.75	+0.85	£111.10	£124.85	£96.80
SPICES					
Cloves	$3,450	+50	$4,500	$4,000	$3,200
Pepper white	$4,700	−185	$4,500	$4,825	$3,300
black	$3,925	−75	$2,200	$4,000	$2,200
OILS					
Coconut (Philippines)	$485u	−10	$1,180	$950	$415
Palm Malayan	$390u		$622.5	$700	$340
SEEDS					
Copra (Philippines)	$265z	−15	$700	$575	$265
Soyabeans (U.S.)	$319u		$263.25	$255.4	$207.5
OTHER COMMODITIES					
Cocoa Futures Mar.	£1701.5	−42	£1913	£2,257	£1,557
Coffee Futures Jan.	£1993	+205	£2,279	£2,457	£1,457.5
Cotton Index	48.15c	−0.80	‡	71.95c	48.15c
Dess. Coconut	$755		£1200	£995	£755
Gas Oil Fut. Dec.	$264	+3	£257.5	$268	$208.75
Jute UA BWC grade	$530		$960	$945	$530
Rubber kilo	59p		68p	70p	59p
Sisal No. 3L	$590		$670	$610	$515
Sugar (Raw)	$143	+13	$128	$143	$92
Tapioca	176p	+10	235p	214p	160p
Tea (quality) kilo	102p		350p	250p	102p
(low med) kilo	102p	−3	285p	190p	102p
Wooltops 64s Super	408p kilo		408p kilo	426p kilo	394p kilo

† Unquoted. (g) Madagascar. (u) November-December. (x) November. (y) December. (z) October-November.

INDICES

FINANCIAL TIMES

Nov. 1	Oct. 31	M'th ago	Year ago
—*	—*	250.69	292.93

(Base: July 1 1952=100)

REUTERS

Oct. 31	Oct. 30	M'th ago	Year ago
1728.6	1704.3	1697.9	—

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Oct. 28	Oct. 24	Month ago	Year ago
Spot	116.72	117.09	—	133.78
Fut.	119.82	120.33	—	136.50

(Base: December 31 1931 = 100)

COCOA

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
Dec.	1659-1660	+20.5	1660-1647
March	1701-1702	+22.5	1703-1687
May	1727-1728	+17.5	1730-1715
July	1746-1750	+18.5	1750-1740
Sept.	1765-1770	+6.0	1770-1756
Dec.	1766-1768	+11.5	1770-1759
Mar.	1780-1785	+17.5	1785-1778

Sales: 2,565 (3,249) lots of 10 tonnes. ICCO indicator prices (U.S. cents per pound) for November 1: 104.11 (102.83); five-day average for November 4: 103.85 (104.17).

COFFEE

COFFEE	Yesterday's Close	+ or —	Business Done
Nov.	1946-1964	+112.0	1975-1930
Jan.	1991-1995	+105.0	2025-1955
March	2010-2015	+98.0	2040-1975
May	2010-2025	+96.5	2045-1990
July	2015-2030	+77.5	2035-2005
Sept.	2020-2050	+67.5	2040-2015
Nov.	2010-2080	+48.5	—

Sales: 10,134 (6,365) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for October 31: Comp. daily 1979 141.50 (137.92): 15-day average 128.58 (127.20).

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	654-6	+9.5	660
3 months	678-9	+5	680/674

Official closing (am): Cash 660-5 (644.5-5.5), three months 684.5-5.5 (672-3), settlement 660.5 (645.5). Final Kerb close: 673-4.

Turnover: 17,525 tonnes.

COPPER

	Unofficial close	+ or —	High/low
Higher grade			
Cash	949-51	+7	953/951
3 months	975.5-6	+5	977/965
Cathodes			
Cash	932-5	+13	931
3 months	955-8	+6.5	—

Official closing (am): Cash 951-2 (945-5), three months 973-5 (970-5), settlement 952 (945.5). Final Kerb close: 974-5.

Official closing (am): Cash 925-7 (914-6), three months 955-7 (951-2), settlement 927 (916). Turnover: 30,200 tonnes. US Producer prices 55.50-70 cents per pound.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	262-3	+7	267
3 months	272-5	+1.25	276.5/271

Official closing (am): Cash 266.5-7 (265-6), three months 273-5 (276.5-8), settlement 267 (266). Final Kerb close: 272.5-3.

Turnover: 14,400 tonnes. US Spot: 18.75-20 cents per pound.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	2840-50	+45	—
3 months	2885-90	+52.5	2910/2885

Official closing (am): Cash 2850-60 (2790-10); three months 2900-2 (2780-5), settlement 2860 (2710). Final Kerb close: 2880-900.

Turnover: 1,230 tonnes.

ZINC

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	406-8	+34.5	—
3 months	418-9	+26	423/405

Official closing (am): Cash 402-3 (383-4), three months 415-5 (401-2), settlement 403 (384). Final Kerb close: 406-10.

Turnover: 13,650 tonnes. US Prime Western: 36.75-38.50 cents per pound.

GOLD

Gold rose just $¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $324¾-325. The metal opened at $324-324½ and traded between a high of $324¾-325¼ and a low of $323¾-323½. Trading was generally thin ahead of the weekend. Values tended to improve later in New York, recovering from the day's lows, touched in reaction to a dollar recovery.

GOLD BULLION (fine ounce) Nov. 1

Close	$324¾-325	(£225-225¼)
Opening	$324-324½	(£225½-225¾)
M'n'g fix	$324.85	(£225.357)
Aft'n'n fix	$323.50	(£225.979)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$326¾-327	(£227-227¼)
½ Krug.	$172-172½	(£119½-120)
¼ Krug.	$88-89½	(£61¼-61¾)
1/10 Krug.	$36-37	(£25-25¾)
Mapleleaf	$334½-335	(£232¼-232¾)
Angel	$330½-334½	(£229¼-232¼)
1/10 Angel	$34-35	(£23½-24¼)
New Sov.	$79-79½	(£55-55¼)
½ New Sov.	$45-47	(£31¼-32¾)
Old Sov.	$95-96	(£66¼-66¾)
$20 Eagle	$440-445	(£305-309)
Noble Plat	$330½-334	(£230-233¼)

SILVER

Silver was fixed 4.15p an ounce lower for spot delivery in the London bullion market yesterday at 421.40p. US cent equivalents of the fixing levels were: spot 606.5c, down 7.7c; three-month 618.1c, down 8.25c; six-month 629.9c, down 8.55c; and 12-month 654.8c, down 10.10c. The metal opened at 421¼-424p (605-608c) and closed at 423¼-425p (609-611c).

SILVER per troy oz	Bullion Fixing Price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	421.40p	−4.15	423.50p	+1.63
3 months	432.90p	−4.45	437.00p	+1.63
6 months	444.60p	−4.60	—	
12 months	467.40p	−4.85	—	

LME—Turnover: 42 (42) lots of 10,000 oz.

Morning: Large cash high/low 420, three months high 438, low 433, final kerb high 438, low 435.

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterd'ys close	+ or —
Nov.	107.00	+0.35	107.40	−0.05
Jan.	109.75	+0.85	110.05	−0.05
Mar.	111.95	+0.85	112.70	—
May.	115.35	+0.90	114.90	—
July.	118.10	+1	—	—
Sept.	97.15	—	97.35	—

Business done—Wheat: Nov 106.90-6.75, Jan 109.75-9.60, Mar 112.00-2.45, May 115.30-5.10. Sales: 181 lots of 100 tonnes. Barley: Nov 107.65-7.40, Jan 110.20-0.05, Mar 112.60-2.40, May 124.90 only. Sales: 40 lots of 100 tonnes.

LONDON GRAINS—Wheat: US Dark Northern Spring No 1 15 per cent, Dec 134.35, Jan 137.20, Feb 139.90, transhipment East Coast. US No 2 Soft Red Winter, Nov 116.25, Dec 117.25, Jan 118, Feb 119.25. EC French, Nov 125, Dec 111.50, buyer, Jan 112.50, buyer. Jan/Mar 113.50-114.50. April/June 119.00-113.25, buyer/sellers East Coast. Maize: US No 3 Yellow/French, transhipment East Coast Nov 134, seller. Barley: English Feed fob, Nov 111.00-111.75, buyer/seller, Scottish Dec 113, Jan 114.50. Jan/Mar 116.25. April/June 119.50, sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed Wheat: Eastern 105.00, E Mids 103.70, N East 105.50. Feed Barley: Eastern 105.00, E Mids 107.70, N East 106.70, Scotland 106.90. The UK monetary coefficient for the week beginning Monday November 4 (based on HGCA calculations using three days' exchange rates) is expected to remain unchanged.

MEAT

Month	Yesterday's close	Previous close	Business done
	p. per kilo (deadweight)		
Nov.	117.40	118.30	117.8-117.2
Feb.	100.70	100.50	100.5-100.5
April	102.50	102.50	102.5-102.3
June	102.00	102.00	102.0-101.5
Aug.	99.00	99.30	99.50-99.00
Oct.	104.00	104.20	104.2-104.0

Sales: 30 (some) lots of 50 carcases, 3,250 kg.

MEAT COMMISSION—Average fatstock prices at representative markets: GB Cattle 93.93p per kg lw (−0.50); GB Sheep 150.69p per kg est. dcw (−6.58); GB Pigs 81.28p per kg lw (−0.41).

RUBBER

PHYSICALS—The London market opened unchanged, attracted very little activity throughout the day and closed quiet and slightly easier, reports Lewis and Peat. Closing prices (buyers) spot 58.00p (58.50p); December 58.75p (59.00p); January 54.25p (54.50p). The Kuala Lumpur fob price (Malaysia/Singapore cents) per kg RSS No 1 was 181.0 (180.5); and for SMR 20 160.5 (162.5).

U.S. MARKETS

PRECIOUS metal markets posted modest gains reflect*ing renewed dollar weakness* and an oversold market which encouraged pre-weekend profit taking, reports Heinold Commodities. Copper and aluminium remained nervous but found scattered support on light trade support. Sugar firmed on favourable technical indications and reports of good dealer buying. Cocoa continued to be supported from light producer offers. Coffee went limit up on the lack of pro*ducer offers and continued* indication of devastating losses to the Brazilian crop due to drought. Cotton came under pressure reflecting profit taking and a pick up in cash offers. The energy markets traded mixed reflecting the lack of fresh news following the build up in stocks last week. The grain and soyabean complex firmed reflecting continued harvest delays for maize and soyabeans.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
Nov	4170	—	—	4185
Dec	4205	4250	4190	4190
Jan	4240	—	—	4225
March	4315	4360	4305	4300
May	4385	—	—	4370
July	4455	4490	4470	4440
Sept	4525	—	—	4510
Dec	4630	—	—	4615
Jan	4665	—	—	4650
March	4735	—	—	4720

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Dec	2100	2117	2096	2103
March	2198	2210	2188	2191
May	2250	2264	2242	2243
July	2300	2300	2272	2272
Sept	2307	2307	2295	2297
Dec	2326	2326	2326	2302
March	2320	—	—	2312

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	167.62	168.60	163.25	161.55
March	167.03	167.03	163.50	161.03
May	167.18	167.18	164.25	161.18
July	167.10	167.10	164.50	161.10
Sept	167.08	167.08	164.70	161.08
Dec	167.20	167.20	164.50	161.20
March	167.25	167.25	167.25	161.25

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Nov	60.25	—	—	59.85
Dec	60.60	61.15	60.25	60.25
Jan	60.90	61.25	61.25	60.55
March	61.50	62.05	61.20	61.20
May	61.75	62.10	61.50	61.50
July	62.10	62.25	61.80	61.80
Sept	62.45	62.60	62.15	62.15
Dec	63.10	63.60	63.20	62.80
Jan	63.30	—	—	63.00
March	63.70	—	—	63.40

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	61.22	61.40	61.05	61.77
March	61.65	61.90	61.59	62.15
May	61.95	62.03	61.90	62.34
July	59.20	59.30	59.10	59.45
Oct	53.42	—	—	53.60
Dec	52.02	52.17	52.00	52.25
March	52.77	—	—	52.75

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Close	High	Low	Prev
Dec	30.38	30.49	30.31	30.38
Jan	29.42	29.47	29.30	29.38
Feb	28.62	28.68	28.52	28.60
March	27.94	28.00	27.82	27.92
April	27.44	27.50	27.27	27.38
May	27.04	27.05	26.95	26.94
June	26.58	26.58	26.45	26.51
July	26.31	26.31	26.31	26.18
Aug	26.10	26.10	25.93	25.93
Sept	26.05	26.05	25.70	25.78

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	326.1	—	—	324.7
Dec	328.1	330.3	324.5	326.7
Jan	330.1	—	—	328.5
Feb	332.2	334.4	328.5	330.8
April	336.0	337.3	332.5	334.6
June	340.1	340.5	338.3	338.8
Aug	344.4	—	—	343.1
Dec	353.7	354.0	351.2	352.4
Feb	358.7	—	—	357.4
April	363.8	—	—	362.6
June	369.3	—	—	368.0
Aug	375.1	372.0	372.0	373.8

HEATING OIL 42,000 US gallons, cents/US gallons

	Close	High	Low	Prev
Dec	87.50	87.90	87.05	87.66
Jan	87.15	87.65	86.80	87.52
Feb	85.55	86.05	85.50	85.86
March	80.50	81.20	80.50	80.98
April	76.70	77.10	76.50	76.78
May	73.70	73.85	73.65	73.45
June	73.00	72.75	72.75	72.40
July	72.60	—	—	73.00
Aug	73.00	—	—	73.00
Sept	73.00	—	—	73.00

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
Nov	113.75	115.00	113.00	112.35
Jan	116.20	116.15	114.00	113.80
March	115.60	116.35	114.05	114.20
May	115.80	116.50	114.50	114.45
July	115.00	115.00	115.00	113.60
Sept	111.90	112.25	112.00	111.50
Nov	112.15	—	—	111.75
Jan	112.50	—	—	—
March	113.00	114.00	114.00	112.25

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	323.7	—	—	321.4
Dec	—	—	—	337.2
Jan	327.7	329.5	324.0	325.4
April	329.8	331.7	326.5	327.9
July	333.1	336.0	331.0	331.2
Oct	336.6	337.0	335.0	334.7

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Nov	612.5	—	—	608.4
Dec	616.5	621.5	609.0	612.5
Jan	620.7	618.0	615.0	616.7
March	628.8	634.0	621.0	624.7
May	637.2	641.0	629.5	633.1
July	646.0	644.5	639.0	641.9
Sept	656.6	659.5	650.0	651.4
Dec	670.4	673.0	672.0	665.9
Jan	675.5	—	—	671.0
March	685.7	679.0	679.0	681.2

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	5.79	5.80	5.70	5.68
March	6.27	6.30	6.08	6.14
May	6.46	6.47	6.25	6.28
July	6.58	6.60	6.44	6.43
Sept	6.83	—	—	6.60
Oct	6.88	6.88	6.69	6.71
Jan	7.02	—	—	6.85
March	7.42	7.45	7.30	7.28

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	67.25	67.35	66.40	66.25
Feb	63.57	63.62	62.70	62.67
April	62.25	62.27	61.65	61.6
June	61.75	61.80	61.25	61.47
August	60.10	60.35	59.90	60.0
Oct	58.82	59.00	58.65	58.50
Dec	60.30	60.50	60.20	60.40

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	47.02	47.12	46.55	46.7
Feb	45.60	45.75	44.90	45.1
April	40.85	40.97	40.30	40.2
June	43.37	43.45	42.60	42.6
Dec	40.85	40.85	40.75	40.9
August	42.37	42.80	42.05	42.3
Oct	39.77	39.97	39.55	39.9
July	43.52	43.77	42.80	43.0

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
Dec	233.4	234.4	232.0	232.(
March	243.6	245.0	241.2	242.:
May	248.2	249.6	245.6	248.4
July	250.2	251.6	248.2	248.4
Sept	235.2	238.4	234.4	235.2
Dec	229.2	232.6	228.2	229.6
March	238.0	242.0	238.0	238.6

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	62.35	63.00	61.85	62.2
March	62.60	63.20	62.05	62.4
May	63.80	64.30	63.40	63.6
July	63.95	64.45	63.50	63.9
August	61.35	61.90	61.00	61.1

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Nov	515.6	518.6	513.6	514.3
Jan	528.2	531.4	528.2	527.4
March	540.0	542.6	538.0	539.4
May	549.0	552.0	547.4	548.0
July	555.4	559.0	554.0	555.2
August	554.0	557.4	553.4	554.0
Sept	537.0	542.0	537.0	538.0
Nov	533.0	536.6	532.0	535.2
Jan	545.4	—	—	547.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	146.8	147.2	145.8	146.2
Jan	147.7	148.2	146.9	147.7
March	149.5	150.2	149.0	149.3
May	150.6	151.4	150.2	151.0
July	152.0	152.5	151.6	151.8
August	151.1	152.0	151.0	151.1
Sept	149.8	150.0	149.0	150.0
Oct	148.1	—	—	148.2
Dec	148.0	148.0	146.0	147.7
Jan	147.7	—	—	146.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	20.13	20.15	19.87	20.00
Jan	20.23	20.25	20.03	20.13
March	20.59	20.60	20.35	20.52
May	20.94	20.95	20.77	20.92
July	21.25	21.25	21.05	21.21
August	21.30	21.30	21.10	21.30
Oct	21.15	21.20	21.15	21.25
Dec	21.35	21.45	21.20	21.42
Jan	21.35	—	—	21.40

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Dec	324.6	325.0	321.4	323.6
March	328.6	329.0	325.6	328.0
May	313.2	313.2	310.0	311.4
July	292.2	292.4	289.2	289.6
Sept	293.0	293.0	291.6	292.0
Dec	304.4	305.0	303.6	305.0

SPOT PRICES—Chicago loose lard 17.00 (same) cents per pound. New York tin —— (——) cents per pound. Handy and Harman silver bullion 614.5 (609.0) cents per troy ounce.

SOYABEAN MEAL

	Yesterday close	+ or —	Business Done
	£ per tonne		
Dec.	127.0-127.3	+0.55	127.4-127.0
Feb.	129.0-128.4	+0.40	129.5-129.4
Apr.	129.5-129.0	+0.45	129.0-128.4
June	125.5-125.8	+0.50	126.0-126.0
August	125.5-128.0	+0.20	—
October	127.4-127.8	—	—
Dec.	129.0-129.8	+0.15	—

Sales: 846 (763) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $143.00 (£99.50), up $5.00 (up £4.50) a tonne for October-November delivery. White sugar $176.00, up $4.50.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Dec.	151.0-155.0	147.8-148.8	151.0-148.0
Mar.	161.6-162.0	158.8-158.8	165.4-158.4
May	165.2-165.8	162.4-162.6	165.0-162.2
Aug	170.8-171.4	167.8-168.6	171.0-167.6
Oct	175.2-176.0	172.4-173.0	175.4-172.6

Sales: 3,936 (2,066) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £205.00 (£198.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for October 31: Daily price 5.45 (5.42); 15-day average 5.04 (5.01).

FREIGHT FUTURES

With the background of an unchanged and inactive physical market the Biffex remained thin and was limited to a narrow range. Some pre weekend book squaring led to quotations easing back slightly before the close, reports Clarkson Wolff. The Baltic Freight Index was 908.5, up 2.5 points.

	Close	High/Low	Prev.
Oct.	1050/1000	—	—
Jan.	910/908	915/910	916/913
April	955/953	957	952/960
July	870/850	860	865/849
Oct.	935/927	930	930/928
Jan.	1050/950	—	1020/960
April	1065/1025	—	1058/950
July	950/870	—	940/880

Turnover: 28 (33).

OIL

LATE NOVEMBER Ninian sold at 29.02 but, with much of Europe closed dated barrels were neglected. There were a few trades in forwards Brent for December and January. Nymex WTI opened three cents down for December and traded four cents up at 130 EST. The petroleum products market was very quiet. Gasoil prices fluctuated over the day, sentiment continues confused. Naphtha firmed slightly on some November demand, Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—Nov.		
Arab Light	27.65-27.75	—
Arab Heavy	25.55-25.65	—
Dubai	26.70-26.75*	+0.025
Brent Blend	29.10-29.20	+0.075
W.T.I. (1pm est)	30.40-30.50*	+0.40
Forcados (Nigeria)	29.25-29.55	+0.075
Urals (cif NWE)	27.70-27.80	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	273-276	—
Gas Oil	268-270	—
Heavy fuel oil	135-138	—
Naphtha	246-248	+1

* December Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close	+ or —	Business Done
	$ U.S. per tonne		
Nov.	268.50	+0.50	268.50-64.00
Dec.	264.00	—	264.75-58.25
Jan.	262.50	+0.50	265.00-57.00
Feb.	257.50	+0.50	258.00-53.75
Mar.	249.50	+0.50	249.50-45.00
Apr.	239.75	−0.25	240.00-38.25
May	230.00	−2	230.00-27.50

Turnover: 1,932 (2,342) lots of 100 tonnes.

POTATOES

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Nov.	65.50	64.80	66.90-66.0
Feb.	67.40	66.50	70.20-66.00
Apr.	76.90	76.50	77.70-76.80
May	82.30	82.60	83.60-83.00

Sales: 316 (506) lots of 40 tonnes.

LONDON STOCK EXCHANGE

S E DEALINGS

MARKET REPORT

Equity index attains record for fourth day running

Distillers strong on bid speculation

ACCOUNT DEALING DATES
Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept 30	Oct 10	Oct 11	Oct 21
Oct 14	Oct 24	Oct 25	Nov 4
Oct 28	Nov 7	Nov 8	Nov 18

* "New-time" dealings may take place from 9.30 am two business days earlier.

London equities continued their record-breaking run. For the third occasion in the last five sessions, prices opened lower with dealers forecasting a break in the market's sustained push forward while institutional and other investors digested their recent sizable purchases.

Initial confusion over oil prices was the latest excuse used to mark share prices lower. This followed the United Arab Emirates oil minister's claim that Opec was falling apart and that members were free to fix their own production and pricing arrangements. The Opec chairman said shortly afterwards that there was no change in pricing policy.

Investors showed few nerves, however, and many dealers soon regretted their opening tactics. Fresh demand developed with institutional sources concentrating on a range of top-quality industrials. Stock shortages became more pronounced and added to a change of direction which soon transformed early losses into good gains. Not all market sectors participated in the movement but international groups, including ICI, were leading performers. Interest revived in any group with overseas earning potential on the fall in sterling against the dollar, which reflected oil price worries.

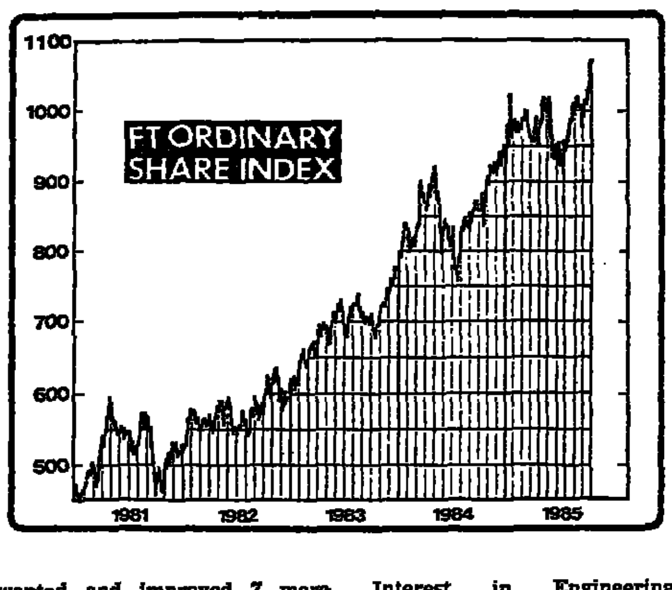
Takeover speculation was a major influence and encompassed sectors ranging from bank to distillery shares. **Midland Bank** surged to a peak for the year before easing as rumours of an imminent bid from **BP** persisted. The number one candidate, however, was **Distillers** which went from strength to close at the day's highest surrounded by intense speculation that Seagrams of the US was about to launch a bid. Measuring the overall course of the market, the FT Ordinary share index fell to 1064.2 before rising to stand a net five points up at 2 pm and closing 1.5 up on balance at a best-ever 1070.6. On the week, the index was nearly 20 points higher.

Investors continued to shy away from the Gilt-edged market. The majority were still more concerned with events taking place in equities and bond prices consequently drifted easier with the exchange rate. Losses were generally small and reduced subsequently when sterling picked up from the day's lowest rate. Longer-dated stocks finally showed minor falls of ¼, while the shorts were around ⅛ lower.

Midland firm

Following Thursday's speculative rise of 25, bid talk continued to surround **Midland** in the early stages yesterday and the shares soon reached a 1985 peak of 458p on persistent gossip of an imminent offer from BP. However, in the absence of any developments the shares succumbed to light profit-taking and closed unaltered on the day, but still 33 higher on the week at 451p. Other clearers remained overshadowed by the activity in Midland and drifted lower on sporadic offerings and lack of support. NatWest fell 18 to 683p and Barclays relinquished 5 at 418p. Lloyds softened a few pence to 453p, after 450p. Elsewhere, **Provident Financial** responded to renewed speculative support and closed a further 11 better at 312p, after 313p. **First National Finance Corporation**, however, bought throughout the week on rumours of a bid from Bats, softened a couple of pence to 173p, but still attained a rise of 19 on the week.

Against the firm trend in Insurances, **Windsor Securities**, at 56p, lost 6 of Thursday's speculative rise of 8 following details of the proposed acquisition of Lander Investments, which holds a 15 per cent shareholding in Windsor. Elsewhere, **Commercial Union** put on 6 to 252p and **General Accident** gained 10 to 695p: both group's third-quarter figures are scheduled for release on November 13.



Activity in the drinks sector centred on **Distillers** which shrugged off adverse press mention to finish 17 higher on the day and 25 up on the week at 465p amid strong rumours of a bid from Seagrams. Breweries were somewhat overshadowed, although minor gains were evident for **Scottish and Newcastle**, 180p, and **Allied-Lyons**, 280p. Regionals highlighted revived support for takeover favourite **Vaux**, finally 8 up at 380p, after 385p. **Davenports** eased a few pence to 297p but retained a gain on the week of 43.

A firm and active week in the Building sector finished on a relatively quiet note, with some recent favourites easing on occasional profit-taking. **Taylor Woodrow**, however, settled a couple of pence firmer at 540p, up 2, after having been down to 523p at one stage. **Walter Lawrence** also provided a bright spot, closing 4 better at 97p, after 98p. In contrast, **Costain** eased 6 to 502p, **McCarthy and Stone** 5 to 285p and **Redland** a like amount to 344p.

ICI, which have been overlooked recently, encountered domestic and US support and closed 25 higher at 674, after 680p. **Coates Bros**, reflecting disappointing interim figures, eased 4 to 140p with the A shares 5 down at 120p.

Gussies feature

Leading Stores, buoyant throughout the week amid growing optimism regarding the Christmas trading season, finished on a slightly irregular note reflecting occasional profit-taking. **GUS A**, however, spurted 23 more to 883p, after 885p, largely due to the efforts of a single buyer. **Habitat Mothercare**, interim figures scheduled for December 5, rose 8 for a two-day advance of 22 at 510p, while **Woolworth** were again wanted and improved 7 more for a week's gain of 47 at 582p. **Marks and Spencer** also remained firm in the wake of the impressive half-timer and hardened the turn to 185p—a rise of 15 over the week; suppliers to the company continued to attract sympathetic demand with **S. R. Gent** 4 to the good at 78p, and **Steinberg** a penny dearer at 93p. Mail-orders remained firm with **Grattan** adding 8 more to 350p and **Freemans** rising 6 to 360p. **Empire**, on the other hand, eased a couple of pence to 168p. **J. Hepworth**, 5 up at 223p, met support in front of next Tuesday's preliminary results, while press mention lifted **E. Upton** 6 to 42p with the A shares a similar amount to the good at 32p. Second thoughts on the interim results saw **Ellis and Goldstein** rally 5 to 72p, while fresh speculative interest was noted for **Amber Day**, 1½ higher for a rise on the week of 5 at 16½p. A rare dull spot among secondary Stores was provided by recent speculative high-flier **Goodman Bros** which encountered profit-taking and dipped to 29½p before settling a net 6 lower at 32p.

Thorn EMI, having been under selling pressure on Thursday following a downgraded profits forecast from brokers Wood Mackenzie, regained composure and closed 10 better at 377p, after 380p. **STC** improved a couple of pence to 78p, after 82p, while **Racal** ended the same amount better at 128p. **Plessey**, on the other hand, dropped 4 to 130p in the wake of publicity given to a broker's cautious circular. Secondary issues were featured by a fall of 53 to a 1985 low of 150p in **Telemetrix** after the chairman's profits warning at the annual meeting. **Pressac** dipped 13 to 114p on profit-taking, while **Oxford Instruments** softened a few pence to 348p awaiting Monday's interim results. **International Signal and Control**, however, rose 13 to 348p and **Micro Focus** added 25 at 145p; the latter's preliminary figures are scheduled for Friday.

Interest in Engineerings tended to fade. Among the occasional noteworthy movements, **Martonair** responded afresh to better-than-expected results with a further rise of 8 to 348p. **Tace** rallied 10 to 375p, but profit-taking clipped 10 from **APV**, at 260p. **Meggitt** were supported and put on 4 to 96p, while buyers also showed interest in **F. H. Lloyd**, 4½ to the good at 70p. **Burgess Products**, reflecting satisfaction with the preliminary figures, rose 4 to 150p. Apart from **Hawker**, which continued to make progress and put on 4 more at 427p, leading issues showed little alteration.

Sompertex provided a firm feature in an otherwise much quieter Food sector, rising to 136p before closing 7 better on balance at 132p following news of the sale of its candy product importing and distribution business to **Barker and Dobson**, a fraction harder at 13½p. **S. & W. Berisford** initially dropped to a 1985 low of 157p on continuing concern about the crisis in commodity markets before rallying sharply after-hours' to finish the day 7 higher, but still 10 easier on the week at 167p. **J. Sainsbury** improved 4 to 356p ahead of Tuesday's interim results, while **Cullens** continued to reflect vague takeover hopes with a fresh rise of 5 at 310p.

Glaxo below best

Movements in the miscellaneous industrial leaders were usually limited to a few pence either way. Demand continued for **Glaxo** which touched a new peak of £15¼ before easing back late to close only ¼ better on balance at £14¾. **BOC** firmed 6 to 297p, while **Metal Box**, interim figures due later this month closed 8 higher at 548p. Elsewhere, **British Aerospace** featured a rise of 12 to 455p, while similar gains were recorded in **Bestwood**, 430p, and **Cookson**, 337p, the latter on expansion hopes. **Smith and Nephew** advanced to 217p amid talk of possible defensive bid by Distillers before closing 9 up on the day at 212p. **Star Computer** fell to 28p following the 14-month loss and dividend passing before rallying on recovery hopes to close 5 better on the day at 40p. Speculative demand in a limited market left **Manchester Ship** 35 higher at 515p, while **Norcross** advanced 13 to 212p accompanied by talk of a broker's re-rating and of a possible acquisition. **Granada** continued to make progress at 216p, up 6, but **Dalgety**, still reflecting worries over the tin crisis, eased 7 more to 438p.

Television stock returned to favour in the Leisure sector. **HTV N/V** rose 6 to 160p, while **LWT**, at 285p, and **Tyne Tees "A"**, at 140p, gained 5 apiece. Elsewhere, **Viewplan** put on 6 to 78p and **Barr and Wallace "A"** added the same amount at 119p, but **Julianas** came on offer at 105p, down 7.

Secondary issues provided the noteworthy movements in Properties. Hopes connected with the Broad Street office development prompted renewed support for **Rosehaugh**, a point better at £17 in a restricted market. **London and Edinburgh** put on 20 to 420p and **Asda Properties** gained 7 at 245p. **Southend Stadium** firmed 3 more to 61p on further consideration of the interim statement.

Smaller Textile concerns were highlighted by **Don Brothers Buist** which responded to revived speculative support with a gain of 8 to 128p—an advance of 20 since the shares were quoted ex-the-100 per cent scrip issue on Monday. In contrast, **John Foster** met late selling and dipped 6 to 71p, while **British Mohair** also lacked support at 109, down 3.

In Financials, **Britannia Arrow** hardened a penny for a gain on the week of 22 to 153p—around 20 above the share exchange terms from minority shareholders **Guinness Peat**, unchanged at 76p. Stockjobbers **Smith Bros** continued to respond to speculative support with a gain of 6 to 192p—an advance of 24 over the five-day period.

Investment Trusts featured **Continental and Industrial** which advanced 17 to 642p amid takeover speculation—**Liberty Life** was mentioned as a possible suitor.

Oils easier

Remarks attributed to the United Arab Emirates Oil Minister regarding the Opec pricing and production structure led to an initial bout of weakness in spot oil markets and prompted dealers to lower oil share prices at the outset of trading. Little selling pressure was forthcoming, however, and quotations quickly recovered to end the session with generally minor falls on balance.

BP settled 7 cheaper at 563p and **Shell** lost 8 to 685p, while **Britoil** were finally 5 off at 220p, after 218p and **LASMO** 6 easier at 247p. Among second-line oils **Invent Energy**, which was granted a full Stock Exchange listing earlier in the week, added 15 to a record 400p, while **Industrial Scottish Energy** put on 10 to a year's high of 185p. Elsewhere, **Santos** dropped 14 to a 1985 low of 246p reflecting heavy selling of the shares in Australian markets overnight.

Geevor dip and rally

Mining markets continued to retreat across a broad front, overshadowed by worries about the possibility of further substantial falls in precious and base metal prices in view of the current tin crisis on the London Metal Exchange.

Trading in recently depressed tin shares remained thin and highly sensitive. The UK-registered **Geevor** dipped to 105p before steadying to close a shade firmer on balance at 110p—a week's decline of 30—while the Malaysian issues showed **Ayer Hitam** unaltered at 180p following the preliminary results.

The Australian sector fell sharply in Sydney and Melbourne overnight, partly on concern over the tin crisis, and London dealers marked share prices lower at the outset. Thereafter, persistent small selling prompted further falls and the majority of the leading issues ended the day with double-figure losses. **CRA** dipped 12 to a year's low of 258p and **Western Mining** retreated 11 to 156p while **MIM Holdings** gave up 6 to 116p and **Peko-Wallsend** a like amount to 242p. Tin miner **Renison** dropped 15 to 250p. Widespread falls were common throughout the list of speculative issues.

South African gold and related stocks continued their recent decline. A further bout of weakness in the Financial Rand, which reflected the absence of any Johannesburg support for South African issues, left the rate at a record low against the dollar and share prices drifted throughout the session. Sentiment was additionally upset by another poor showing by the bullion price as well as recent political developments in the Republic.

The Gold Mines index posted its sixth consecutive fall to show a 7.1 decline to 237.9; since the middle of last month the index has fallen 62 points.

Vaal Reefs suffered a £3¼ loss at £36 and **Western Deep** dropped £1½ to £18⅞ while cheaper priced issues showed **Blyvoor** 21 down at 298p and **Grootvlei** 16 off at 257p.

Among Financials **De Beers** were 7 easier at 280p, **Anglo American Corporation** 30 cheaper at 640p and **"Johnnies"** £3 lower at £46.

Elsewhere, **Gold & Base** edged up 1½ more to a year's best of 18½p in response to asset injection hopes.

Recall by Volkswagen

VOLKSWAGEN'S UK importer is recalling 17,000 of its LT commercial vehicles for a safety check.

Volkswagen in West Germany said the excessive salting of roads during recent winters, coupled with arduous use and minimum servicing, could weaken the lower wishbones of the front axle on the 28, 31 and 35 series of LT panel vans and chassis/cabs.

FINANCIAL TIMES STOCK INDICES

	Nov. 1	Oct. 31	Oct. 30	Oct. 29	Oct. 28	Oct. 25	year ago
Government Secs	83.83	83.96	84.04	83.64	83.60	84.04	82.28
Fixed Interest	89.67	89.64	89.59	89.48	89.52	90.03	84.88
Ordinary •	1070.7	1069.1	1067.3	1061.3	1048.6	1050.8	907.6
Gold Mines	237.9	245.0	246.8	248.4	252.3	257.1	504.2
Ord. Div. Yield	4.48	4.48	4.51	4.54	4.59	4.58	4.67
Earnings, Yld. % (full)	10.97	10.98	11.04	11.12	11.23	11.22	11.15
P/E Ratio (net) (*)	11.27	11.25	11.19	11.11	10.99	11.01	10.76
Total bargains (Est.)	24,333	26,104	24,412	24,572	24,219	24,771	19,446
Equity turnover £m.	—	578.52	576.67	499.67	441.57	479.35	385.81
Equity bargains	—	24,953	24,954	22,648	23,277	27,006	19,463
Shares traded (ml)	—	269.5	301.1	240.8	230.7	291.9	194.9

• 10 am 1065.0. 11 am 1069.2. Noon 1073.1. 1 pm 1073.6. 2 pm 1074.1. 3 pm 1073.6. 4 pm 1070.6.

Day's High 1074.3. Day's Low 1064.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=10.87.

HIGHS AND LOWS

	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	84.57 (18/10)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	90.38 (23/10)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1070.6 (1/11)	911.0 (14/1)	1070.6 (1/11/85)	49.4 (26/6/40)
Gold Mines	536.9 (15/1)	237.9 (1/11)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	Oct. 31	Oct. 30
Daily Gilt Edged Bargains	130.8	132.0
Equities Bargains	161.5	161.7
Value	116.9	116.8
5 day average Gilt Edged Bargains	126.1	133.1
Equities Bargains	159.3	158.4
Value	1041.2	998.5

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 4	Nov 15	Feb 6	Feb 17
Nov 18	Nov 29	Feb 20	Mar 3
Dec 2	Dec 13	Mar 6	Mar 17

For rate indications see end of Unit Trust Service

Money was given for the call of Goodman Brothers, STC, Channel Tunnel, Astra Industrial, C. H. Bailey, Belhaven, United Biscuits, Amstrad Consumer Electronics, Steinberg, Owen Owen, Body Shop International, Oil Search, Polly Peck, Imps and S. & W. Berisford. A put was done in Goodman Bros, but no doubles were reported.

LEADERS AND LAGGARDS

Percentage changes since December 31, 1984 based on Thursday, October 31, 1985

Shipping and Transport	+41.07	Mechanical Engineering	+16.67
Stores	+40.90	Other Groups	+16.25
Office Equipment	+40.67	Health and H'hold Products	+14.74
Metals and Metal Forming	+37.93	Food Retailing	+14.28
Brewers and Distillers	+35.95	Industrial Group	+13.27
Motors	+34.94	All-Share Index	+13.10
Insurance (Life)	+34.27	Food Manufacturing	+12.93
Contracting, Construction	+30.93	500 Share Index	+12.50
Newspapers, Publishing	+30.00	[illegible]	+10.20
Packaging and Paper	+28.19	Investment Trusts	+8.76
Telephone Networks	+26.19	[illegible]	[illegible]
Insurance (Composite)	+25.53	Property	+4.98
Building Materials	+22.83	Leisure	[illegible]
Merchant Banks	+21.51	Capital Goods	[illegible]
Other Industrial Materials	+20.52	Electricals	[illegible]
Consumer Group	+20.12	Overseas Traders	[illegible]
Banks	+18.80	Chemicals	[illegible]
Financial Group	+18.78	Mining Finance	[illegible]
Textiles	+16.80	Tobaccos	[illegible]
Insurance Brokers	+16.72	Oil and Gas	-23.67
		Gold Mines Index	-48.84

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
95	F.P.	7/11	105	97	AMS Inds. 5p	105	+1	b51.23	5.0	1.7	17.0
—	F.P.	9/10	7	5	Bardsey Pfd. Ord.	7					
—	F.P.	—	3	2	Do. warrants	[illegible]					
185	F.P.	1/11	233	202	Bristol Oil	222	−8	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	122	98	Colorgen Inc. $0.01	[illegible]					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Con't Assets Tst.	[illegible]					
‡125	F.P.	[illegible]	135	125	C.P.M. 5p	125		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Cowells	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Davidson Pearce 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Ealing Elctr-Optcs 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Electronic Data 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Fairbriar 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Gibbon Lyons 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	InfraRed 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Just Rubber 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Kewill Systems 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Metsec 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Nat. Home Loans 75p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Quester 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Radius 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	St. Ives 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Shandwick 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Strata Inv.	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Vantage Secs. Wrrnts.	[illegible]					

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Australia 9½% Ln. 2012	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bank of Greece 10¼% Ln. 2010	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bremner 10% Cnv. Uns. Ln. 1995	110	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Brit. Benzol 12% Cnv. Uns. Ln. 1995	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Brixton Est. 10¾% 1st Mort. Deb. 2025	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Est. & Gen. Inv. 11¼% Redeem. Deb. 2018	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Evans of Leeds 11% 1st Mort. Deb. 2025	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hampton Tst. 11½% 1st Mtg Deb 2023	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Haslemere 10½% 1st Mort. 2016	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Intl. Bk. for Rec. & Dev. 9½% Ln. 2010	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nat. Home Loans 8% Cnv. Uns. Ln.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nationwide 11¼% Bds. 15/5/86	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. Bds. 20/10/86	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	St. Ives 10% Cnv. Pf.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Peachey Prop. 11% 1st Mort. Deb. 2015	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pittard 9½% Cum. Pref.	115p	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Safeway Deep Dis. Stepped Ln. 2011	[illegible]	[illegible]

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price p	+ or −
55	F.P.	27/11	66	63	Greenway 10p	65	
60	F.P.	21/11	86	75	Crowther (J)	85	
190	Nil	[illegible]	[illegible]	[illegible]	DRG	[illegible]	
100	Nil	—	36pm	28pm	Garfunkels' Rest. 10p	34pm	
226	F.P.	6/12	353	280	ML Hldgs.	345	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. g Assumed dividend and yield. u Forecast dividend and yield based on prospectus or other official estimates for 1986. … otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Allotment letters (or fully-paid). … price. †† Dealt in under Rule 535 (3). ‡‡ Dealt in under Rule 535 (4) (a). † Units comprising 5 ordinary shares and 1 warrant.

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (149)

BANKS (7)
BREWERS (3)
BUILDINGS (9)
CHEMICALS (4)
STORES (5)
ELECTRICALS (2)
ENGINEERING (11)
FOODS (3)
HOTELS (3)
INDUSTRIALS (27)
INSURANCE (6)
MOTORS (4)
NEWSPAPERS (1)
PAPER (2)
PROPERTY (10)
SHOES (1)
TEXTILES (2)
TRUSTS (29)
OILS (2)
OVERSEAS TRADERS (1)
MINES (1)

NEW LOWS (78)

AMERICANS (3)
Alcoa Fluor
Bethlehem Steel
BANKS (1)
Bank Leumi
ELECTRICALS (6)
AB Electronic Microfocus
Acorn Computer Prestwick
Brown Boveri Kent [illegible]
ENGINEERING (1)
Braithwaite
FOODS (2)
Berisford (S. & W.) Blue Bird Confec.
INDUSTRIALS (4)
[illegible] Securiguard
[illegible] Star Computer
LEISURE (1)
Julian's
NEWSPAPERS (1)
Portsmouth & Sunderland
SHIPPING (1)
Sea Containers
SOUTH AFRICANS (4)
Abercom SA Breweries
Anglo American Ind. Unisec
Barlow Rand
TRUSTS (1)
Yule Catto
OILS (3)
Brunswick Oil Santos
Clyde Petroleum
OVERSEAS TRADERS (1)
Finlay (James)
MINES (46)

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	3	62	42	193	232	115
Corporations, Dom. and Foreign Bonds	3	13	39	77	96	222
Industrials	317	274	895	1,863	1,227	4,340
Financial and Props.	123	84	309	809	324	1,893
Oils	16	34	77	112	129	394
Plantations	2	2	14	12	18	60
Mines	11	103	89	123	357	455
Others	35	92	91	295	348	444
Totals	530	681	1,606	3,484	2,731	7,709

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday.

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Racal Elects.	115	128	−2	Dalgety	80	438	−38
Euro. Ferries	112	156½	+5¼	BAT Industries	80	324	[illegible]
ICI	112	649	−10	Britannia Arrow	68	152	+25
Cns. Gold Fds.	99	474	+32	Marks & Spncr.	65	184	+15
Distillers	93	448	+28	Owen Owen	[illegible]	575	+60
Glaxo	93	£14¼	+¼	[illegible]	77	230	+15

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Berisford (S. and W.)	167	+7	GUS "A"	883	+22
BP	563	−7	Midland Bank	451	—
Britoil	220	−5	Norcros	212	+13
Cookson	337	+15	Provident Financial	312	+11
Distillers	465	+17	Smith and Nephew	212	+9
Glaxo	£14¾	+¼	Woolworth	582	+7

THURSDAYS ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Glaxo	24	£14¼	[illegible]	Crystalate	15	123	−14
Midland Bank	19	451	+25	Euro. Ferries	14	156½	[illegible]
Channel Tunnel	19	155	[illegible]	First Nat. Fin.	14	176	+10
Distillers	18	448	+15	Fisons	13	412	+22
Cookson	19	322	[illegible]	Pilkington Bros.	13	275	[illegible]
ICI	17	649	+5	Racal Elects.	12	126	−2
BAT Industries	18	283	+3				

STERLING ISSUES BY FOREIGN GOVERNMENTS AND INTERNATIONAL INSTITUTIONS

CORPORATION & COUNTY

UK PUBLIC BOARDS

FOREIGN STOCKS (coupons payable in London)

STERLING ISSUES BY OVERSEAS BORROWERS

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

E—F

G—H

H—K

L—M

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

Tilling (Thomas) 4.55pcPf (£1) 58 (30/10). 5.25pcPf (£1) 69 (30/10). 8pcDb 1985-90 £90½ (30/10). 8½pcLn 1989-94 £84
Titaghur Jute Factory (£1) 22 4 (25/10). 6pcPf (£1) 30
Tomkins (F. H.) 9¼pcLn 1994 £183
Tootal Grp 5pcPf (£1) 42½. 4¾pcDb £39½⊕. 6¾pcDb 1985-90 £85½ (28/10). 7¼pcDb 1985-90 £90. 7¼pcLn 1989-94 £79
Towles A (10p) 70. 6pcPf (50p) 46

Taylor Woodrow 7¼pcLn 1987-90 £89
Television South 14.20pcLn 1986-88 £108½ (29/10). 10pcLn 1997 115
Tenneco 10pcLn 1991-95 153 (29/10)
Tern Grp 9pcPf 1997-2000 (£1) 105 (29/10)
Tex Hldgs (10p) 78
Thomson Org. 4.72pcPf (£1) 62. 5.83pcPf (£1) 72 4 ½. 21.7pcPf 71 (30/10). 5pcDb (1964-94) £70 (30/10)
Thomson T-Line 39
Thorn-EMI 5pcLn 2004-09 £49½. 7¼pcLn 1989-92 £83½. 7¾pcLn 2004-09 £72. 8½pcLn 1989-94 £85¼

Hill (Philip) Inv Tst 5¼pcPf (£1) 47 (30/10)
Inv Tst of Guernsey (50p) 131 (28/10)
Inv Cap Tst 5¼pcPf £63 (30/10). 7¼pcDb 1992-97 £76½ (30/10)
Keystone Inv 5pcPf (£1) 45 (30/10)
Lake View Inv Tst 5pcPf £44 (30/10)
Law Debenture Corp 5pc2ndDb 1983-88 £85
London and St Lawrence Inv (5p) 53½. 5pcPf (£1) 44
London Tst Wartosub 45 ½ 6
Merchants Tst 4½pcPf (£1) 38 (30/10)
Murray Growth Tst 6pcDb 1983-86 £90 (25/10)

Murray Income Tst 5pcPf (£1) 44 (25/10)
Murray Intnl Tst 5½pcDb 1981-86 £90¼
New Darien Oil Tst Wartosub 3 (29/10)
New Throgmorton Tst (1983) 12.6pcDb 2008 £110¼
North Atlantic Secs Corp 7½pcLn 1995-1996 £260 70
Northern American Tst 3½pcPf £40
Outwich Inv Tst 10pcPf (£1) 123
Plantation Tst 7½pcLn 2000 £81
Rights and Issues Inv Tst 7½pcPf (£1) 75 (29/10)

Michael (J) Design (2.5p) 70 (29/10)
Pavion Intnl 3.85pcPrf (£1) 52 (28/10)
Perkins (J) Meats (10p) 28 (29/10)
Questel (10p) 172 5
Shandwick New (2p) 180 2 3 4 5 8
Spectra Auto Eng Prods (10p) 57 (30/10)
Utd Friendly Insce B (10p) 395 (30/10)
Yellowhammer (5p) 129 (30/10)

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Abbey National Bldg. Soc. 10pcBds £99.718pc (25/10)
Airship Inds. 24. 5 (29/10)
Amal. Metal Corp. (£1) 345. 55 (30/10)
Anglo-Am. Agric. 46. ½ (25/10)
Ann Street Brewery (£1) 4 75
Ayrton Saunders (£1) 50 (25/10)
Bristol West B.S. 10⅞pcBds £99.708pc (25/10)
Cambridge Instruments (5p) 112. 6 (28/10)
Central ITV (50p) 205. 8 (29/10)
Channel Hotels and Props. (10p) 113. 4 (30/10)
Channel Island Comunications 100 (25/10)
Ciba-Geigy 8¼pcCnv.Gtd.Ln. 1982-96 £371pc (30/10)
Crusta (10p) 170. 3. 4. 5
Denvermoor New (50p) 200 (29/10)
GRI Electronics (10p) 450 (28/10)
Grampian TV (10p) 31. 2. 5
Greenstar Hotels (10p) 33½. 4 (29/10)
Guernsey Gas Light (£1) 245 (29/10)
Guernsey Press (£1) 500 (25/10)
Hard Rock Cafe (2p) 72. 5 (29/10)
Harvard Secs (2p) 31½ 2 (28/10)
ICE (1p) 970. 10.00 (30/10)
Integrated Business (5p) 101. 2
Ireland Yard Invs. (10p) 17. 9 (30/10)
Jennings Bros. 195. 8 (29/10)
Jersey Gas 5pcAPf (£1) 40 (28/10)
Jersey New Waterworks 10pcDbBds £88pc (25/10). 12½pcDb £100pc (25/10)
Kanick Leisure (10p) 46½. 7. ½ (30/10)
Lorne Evan (£1) 50 (30/9)
Merlin Intnl. Props. 35 (30/10)
Midland City Partnership (10p) 191. 2. ½
Minch Norton (Ir£1) 91. 4 (25/10)
Newgate (5p) 1½. ¼ (29/10)
Norton Villiers Triumph (10p) 4. ½ (30/10)
Oldham Ests. (50p) 93. 4 (29/10)
Panther Secs. 85. 6½ (28/10)

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

APM Ord 146
Aquarius Expl. 25⊕
Ariadne Australia 40⊕ (29/10)
Ashton Mining 51
Asoc. Dry Goods Corp. £24⅞⊕ (30/10)
Atlantic Richfield £45½ (28/10)
Aust. Development 9⊕ (28/10)
Base Resources 65
Basic Resources Int. (Bahamas) 65
Bass Strait Oil and Gas 10
Bayerische Motoren Werke DM530
Beach Petroleum 47 (29/10)
Beatrice Cos Inc. £30½⊕ (30/10)
Berjuntai Tin Dredging 85⊕ (30/10)
Boral Ord 171⊕ 65 (25/10)
BP Canada £14⅞
Brambles Indus. 207 (30/10)
Brick Pipe Indusis 200 (30/10)
Bristol-Myers £38⅞ (25/10)
Bridge Oil New (Nil pd.) 37 (30/10)
Bukit Sembawang 95⊕ (30/10)
Burwill Int. 8½ (28/10)
CSF (Thomson-CSF) £50½⊕
Cadbury Schweppes Australia 170⊕ 68 (25/10)
Carrefour £210½⊕
Central Norseman Gold 373 (29/10)
Cheung Kong (Hldgs) 178½
Club Mediterranee FF450
Cluett Peabody £25¼⊕ (29/10)
Coles (G. J.) 217 (29/10)
Cominco 587½ (29/10)
Computervision Corp. 725 (30/10)
Conex Aust. 2¼ ½
Consld.-Bathurst Cl. A 775
Daimler-Benz (DM50) £280½⊕ 4⊕ 5 (28/10)
Dayton-Hudson £27¼ (25/10)
Development Bank of Singapore 185 (25/10)
Diamond Shamrock £103⅛ (28/10)
Dome Mines 527½⊕ (28/10)
Dresdner Bank DM348⊕ 7 8
Du Pont (EI) De Nemours £41⅛ (30/10)
Dunlop Olympic 128⊕
Dunlop Olympic New (NP) 47 (28/10)
Eastman Kodak £29½ (29/10)
Eastmet 10⊕ (25/10)
Forest Laboratories £18½ (28/10)
Fraser and Neave 207 (29/10)
First National Resources Tst. ($A0.40 pd) 23½⊕ 3 ½
Gearheart Inds. 490
Genentech Inc. £35⊕
General Mills $US63½⊕ (29/10)
Geometals 12⊕ (28/10)

Thyssen AG £47¼. 47.60. 47.65. 47¾. $US68¾. DM180
Treasure Valley Expl. 60
Triton Energy £22⅞ (30/10)
Unilever NV (Fl20) £83.15. $US120¾. Fl356
United Overseas Bank 105⊕
Vampas 172 (29/10)
Veba AG £72⅞
Victoria Expl. 16 (29/10)
Volkswagenwerk AG £99⅞⊕. ⅞. 100⅞
Wal-Mart Stores £18⅞
Waste Management £42½
Westcoast Transmission 805⊕
Western Resources 13 (29/10)
Westfort Petroleum 3 (29/10)
Westinghouse Electric £29⅝
Westralian Sands 85 (28/10)
World Intnl. (Hldgs) 21 (28/10)
Zappa 240 2½ (30/10)

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

Kenmare Oil Expl. (Ir25p) 4½ (28/10)
North West Oil and Gas (20p) 3¼. 7 (30/10)

(By permission of The Stock Exchange Council)

APPOINTMENTS

Sir Kenneth Durham joins Woolworth

WOOLWORTH HOLDINGS has appointed Sir Kenneth Durham as a non-executive director. Sir Kenneth is chairman of Unilever. He will become (non-executive) deputy chairman following the retirement as executive deputy chairman of Mr Peter Firmston-Williams later this month. Mr Firmston-Williams will continue on the board as a non-executive director.

★

Mr Nigel J. Tricker has joined the partnership of PRICE WATERHOUSE. Mr Tricker joins the London office from the Inland Revenue where he was a principal inspector in the policy division at Somerset House.

★

RAPRA TECHNOLOGY has appointed Dr Malcolm Copley to succeed Dr J. P. Berry as chief executive and managing director, when Dr Berry retires early in 1986. Dr Copley, who will join Rapra in January, is chief executive of the Dunlop Belting Group.

★

SOLAGLAS has appointed Mr Bill Buys to the main board as group finance director. He was finance, systems and planning director of the Host Group, a subsidiary of Grand Metropolitan.

★

Mr S. Wainwright has been appointed deputy chairman of MANDERS (HOLDINGS). He has been a non-executive director since 1973.

★

UNIROYAL TYRES has appointed Mr Robert Jackson UK managing director. He also joins the boards of Uniroyal Englebert Tyres and CUP. Mr Jackson joins Uniroyal Tyres from Tenneco Automotive Inc.

★

Mr Hugh Clarke, financial director and secretary of TRINITY INTERNATIONAL HOLDINGS, will retire in December. He will remain on the board in a non-executive capacity. Mr John McKenna, who joined the group in 1974, will become financial director. The new secretary will be Mr Michael Ryan. He is currently group pensions manager as well as assistant company secretary.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Oppenheimer Fund Mngt Ltd
66 Cannon St, London EC4N 6AE — Dlg. 01-236 3885

International Growth	95.8	102.0	+1.5	2.00
Income & Growth	43.9	46.4	-0.5	3.20
Special Situations	53.0	56.4	+0.2	1.40
American Growth	26.0	27.7	+0.1	1.10
Japan Growth	33.7	35.9	+0.3	—
European Growth	41.8	44.7	+0.7	3.30
UK Growth	41.3	44.2	+0.1	—
Pacific Growth	31.9	34.1	+0.2	1.80
High Income	28.1	30.1	-0.1	7.40
Practical Income Units	42.7	45.5	+0.2	3.1
Practical Accum. Units	76.6	81.6	+0.3	3.1

Pearl Trust Managers Ltd. (a)(g)
252, High Holborn, WC1V 7EB. — 01-405 8441

Pearl Growth Fd.	67.0	71.3	+0.1	3.06
Accum Units	99.2	105.5	+0.2	3.36
Pearl Inc.	95.2	101.3	+0.3	4.85
Pearl Unit Tst.	100.8	107.2	+0.3	3.83
(Accum. Units)	170.3	181.3	+0.5	3.83

Perpetual Unit Trust Mngmt. (a)
48, Hart Street, Henley on Thames. — 0491 576868

Growth	202.7	217.5	+2.3	1.52
Income	150.1	160.1	+0.5	5.21
Worldwide Recovery	114.5	122.9	+1.1	2.15
American Growth	53.6	57.5	+0.2	1.11
Intl. Emerging Cos.	60.6	65.1	+0.4	0.71
Far East Growth Fd.	50.8	54.5	+0.8	1.0

Prolific Unit Trusts
222, Bishopsgate, EC2. — 01-247 7544/7

Prolific Far East	109.2	117.0	+1.3	0.19
Prolific Extra Inc.	66.1	70.3	—	5.70
Prolific Convert & Gilt	83.4	88.4	+1.2	7.02
Prolific High Inc.	141.2	150.2	+0.3	4.97
Prolific Intl.	84.6	90.6	+0.1	1.83
Prolific N. Amer.	109.5	117.3	+6.3	2.39
Prolific Spec. Sits.	156.9	166.9	-0.4	1.54
Prolific Technology	94.7	101.5	-0.1	0.82

Providence Capital Fd. Mgrs. Ltd.
30 Uxbridge Road, London, W12 8PG. — 01-749 9111

Japan Inc.	52.2	55.9	—	—
Japan Acc.	52.6	56.7	+0.2	—
Worldwide Inc.	51.6	54.9	+0.3	2.30
Worldwide Acc.	52.3	55.4	+0.2	2.30
European Trust	60.5	64.1	+1.1	1.21
North American	45.8	48.5	-0.1	2.42
UK Equity	54.3	57.5	+0.2	3.70

Prudential Unit Trust Mngrs Ltd. (a) (b) (c)
51-69, Ilford Hill, Ilford, Essex, IG1 2DL. — 01-478 3377

Holborn Equity Tst.	338.7	360.3	+0.7	3.37
Holborn European Trust	51.8	55.1	+0.6	1.06

Swiss Life Pen. Tst. Man. Co. Ltd.(a)(c)
99-101 London Rd, Sevenoaks. — 0732 450161

Equity Dist.*	219.9	232.6	—	4.07
Equity Acc.*	261.0	276.1	—	4.07
Fixed Int. Dist.†	119.6	128.9	—	10.91
Fixed Int. Acc.†	160.8	174.9	—	10.91

*Prices as Oct 9. Next dealing Nov 13.
†Prices as Oct 2. Next dealing Nov 6.

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens Hse, Andover, Hants, SP10 1PG
0264 62188. Dealings to 0264 63432-3

TSB American	90.6	96.4	—	1.35
Do. Accum.	94.2	100.3	-0.1	1.35
TSB Extra Income	88.6	94.3	+0.6	6.00
Do. Accum.	101.9	108.5	+0.9	6.00
TSB General	128.7	136.9	+0.5	3.20
Do. Accum.	208.5	221.8	+0.8	3.20
TSB Gilt & Fxd Int.	47.0	49.0	—	9.07
Do. Accum.	58.9	61.4	—	9.07
TSB Income	177.8	189.2	+0.2	4.71
Do. Accum.	267.2	285.4	+0.4	4.71
TSB Pacific	106.4	113.2	+0.3	0.65
Do. Accum.	79.0	116.0	+0.3	0.65
TSB International	233.6	248.6	+1.4	2.06
Do. Accum.	284.6	304.9	+1.7	2.06
TSB Natural Resources	42.3	45.0	-0.5	2.05
Do. Accum.	43.1	45.5	-0.5	2.05
TSB Stand. Opps.	49.2	52.4	—	2.12
Do. Accum.	53.5	57.0	—	2.12

3i & Target Fund Mgrs Ltd
2 St Mary Axe, London EC3A 8BP — 01-928 3956

Small Co's Fund	66.5	70.7	-0.5	0.20

Target Trust Mngrs. Ltd. (a)(g)
Target Hse, Gatehse. Rd, Aylesbury Bks — (0296) 5941

American Eagle	63.7	68.1	—	0.61
Australia	32.0	34.1	-0.5	0.10
Commodity	81.6	87.7	-1.3	1.94
Energy	38.6	41.3	-0.2	2.23
Equity	108.4	115.6	+0.2	3.40
European Spec. Sits.	64.2	68.7	+0.9	1.15
Extra Income	94.5	101.1	—	7.09
Financial	219.2	235.8	-0.1	2.33
Gilt Capital	225.1	235.1	-0.2	3.25
Gilt Income	101.5	106.3	-0.2	8.40
Gold Income	50.8	54.3	-2.5	1.70
Gold Acc.	92.5	98.9	-4.9	1.78
Income	67.1	72.1	—	5.44
Japan	50.4	51.8	+0.3	0.10
Malaysia & Singapore	22.7	24.2	—	0.95
Pacific Income	65.0	69.5	+0.4	0.39
Pacific Re Inv.	79.7	85.2	+0.5	0.39
Preference Share	16.3	17.6	—	9.93
Special Sits.	78.8	84.3	—	1.03

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	11.35		[illegible]	[illegible]
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	11.45	8.54	[illegible]	[illegible]
7-day Fnd	11.56	8.66	[illegible]	[illegible]
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	11.48	8.58	[illegible]	[illegible]
7-day Fund	11.06	8.27	[illegible]	[illegible]
Dollar	7.00			[illegible]

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc 22 Charlotte Sq. Edinburgh, EH2 4DF 031-225 8484				
Full Service Cur Acc	11.25	8.00	11.79	Qr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	11.00	8.23	12.11	Qr
Mth. Int. Chq.	11.000	8.23	12.38	Mth
Allied-Arab Bank Ltd 97-101 Cannon St, London, EC4N 5AD 01-283 9111				
HIBCA	11.50	8.60	12.78	mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Money Mkt Cheque Acc	11.00	8.22	12.18	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	11.0	8.25	12.32	Qr
Britannia Investment Services Ltd. 74-78 Finsbury Pavement, EC2A 1JD. 01-588 2777				
Cater Allen	11.00	8.22	12.20	Mth
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	11.13	8.33	12.14	Mth
U.S. Dollar	7.25	7.25	7.50	Mth
German Marks	4.25	4.25	4.33	Mth
Swiss francs	1.50	1.50	1.51	Mth
Japanese Yen	5.00	5.00	5.12	Mth

Citibank Savings

NOTES

agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ø Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase. xd ex dividend.

OPTIONS

3-month call rates

Industrials	p
Allied-Lyons	28
BAT	26
BOC Grp.	27
BSR	8
BTR	33
Babcock	13
Barclays	33
Beecham	30
Blue Circle	50
Boots	18
Bowaters	30
Brit Aerospace	32
Brit. Telecom	17
Brown (J.)	3½
Burton Ord	45
Cadburys	13
Charter Cons.	18
Comm Union	23
Courtaulds	13
Distillers	36
FNFC	12
Gen Accident	55
Gen Electric	14
Glaxo	100
Grand Met.	30
GUS 'A'	70
Guardian	60
GKN	20
Hanson Tst.	18
Hawker Sidd	36
ICI	42
'Imps'	16
Jaguar	27
Ladbroke	27
Legal & Gen	60
Lex Service	24
Lloyds Bank	35
Lucas Inds	38
Marks & Spencer	13
Midland Bk.	35
NEI	10
Nat West Bk.	55
P & O Dfd	35
Plessey	14
Polly Peck	21
Racal Elect.	13
RHM	12
Rank Org Ord	35
Reed Intnl	60
Sears	11
TI	35
Tesco	24
Thorn EMI	34
Trust Houses	12
Turner Newall	9½
Unilever	90
Vickers	35

Property	p
Brit Land	14
Land Secs.	26
MEPC	26
Peachey	24
Samuel Props	15

Oils	p
Brist. Oil & Min.	3½
Brit Petroleum	45
Burmah Oil	27
Charterhall	4
Premier	5
Shell	55
Tricentrol	18
Ultramar	18

Mines	p
Cons Gold	40
Lonrho	22
Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

LONDON SHARE SERVICE

BRITISH FUNDS

1985 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101 3/16	99 1/16	Exch. 11¾pc '86	99 13/16	−1/32	11.76	11.44
99⅝	97 1/16	Treas. 10pc Cnv 1986	99½	−1/16	10.05	11.17
96½	92¼	Treas 3pc 1986	96½xd	−1/16	3.13	10.75
100	97½	Exch. 10½pc Cv '86	99 13/16xd	−1/32	10.53	11.13
101⅞	99¼	Treas 12pc 1986	100 3/32	−1/32	11.97	11.40
98 1/2	94¼	Treas 8½pc 1984-86‡‡	98 3/16	.....	8.65	11.05
105 3/16	102 1/16	Exch. 14pc 1986	102 11/16	−⅛	13.63	11.04
94½	87¼	Exch. 2½pc 1986	94½xd	.....	2.65	8.23
104 3/16	101¼	Exch. 13¼pc 1987	102½	−1/16	12.93	10.88
99 11/16	96⅝	Treas. 10¼pc Cv '87	99 1/16	−1/16	10.32	10.75
93⅛	85½	Exch 2½pc 1987	92⅝	−1/16	2.70	8.56
100 3/16	96¼	Exch. 10½pc 1987	99⅝	−⅛	10.54	10.77
95 1/16	89	Funding 6½pc '85-87‡‡	95 1/16xd	−1/16	6.84	10.18
99 3/16	95½	Treas. 10pc 1987	98 13/16	−⅛	10.12	10.79
91¼	84¼	Treas 3pc 1987	91 3/16	−1/16	3.30	8.70
102 11/16	99⅛	Treas. 12pc 1987	102 1/16xd	−1/16	11.74	10.75
95 1/16	90¼	Treas 7¾pc 1985-88‡‡	94⅝	−⅛	8.18	10.47
100 1/16	95⅞	Exch 10½pc '88	99 11/16xd	−1/16	10.52	10.61
98⅛	93⅛	Treas 9¾pc Cv '88	97⅞	−1/16	9.97	10.67
87 3/16	80	Transport 3pc '78-88	86⅞	−⅛	3.46	8.62
97⅛	91½	Treas. 9½pc '88	97	−1/16	9.79	10.70
102¼	97½	Treas 11½pc 1989	102 1/16	−1/16	11.24	10.60
97 3/16	90¼	Treas 9½pc Cnv. '89	96 13/16	−1/16	9.81	10.62
84	79	Treas 3pc 1989	83⅞xd	.....	3.58	8.38
99⅞	94	Treas 10½pc 1989	99½	−1/16	10.55	10.65
98⅞	92	Exch. 10pc 1989	98	−1/16	10.20	10.64
101 3/16	95	Exch 11pc 1989	101 1/16	−1/16	10.88	10.65
86⅛	79	Treas 5pc 1986-89	86⅛	−1/16	5.81	9.27
108 11/16	103⅛	Treas 13pc 1990‡‡	108⅛	−1/16	12.01	10.52
101⅝	96 11/16	Exch 11pc 1990‡‡	101⅛	−⅛	10.87	10.63
108⅜	100¼	Exch. 12½pc 1990	106½	−⅛	11.73	10.61
80 5/16	75¾	Treas. 3pc 1990●	80 5/16xd	.....	3.73	8.33
93⅛	87¼	Treas 8¼pc 1987-90‡‡	92 1/16	−1/16	8.92	10.35
101⅛	91⅞	Treas. 10pc Cv 1990	97 3/16	−1/16	10.25	10.84
		Five to Fifteen Years				
108⅛	97⅛	Treas 11¾pc 1991	108	.....	11.27	10.64
87⅞	80	Funding 5¾pc '87-91‡‡	86⅞	.....	6.65	8.97
105¼	95	Exch. 11pc 1991	102	.....	10.82	10.60
113⅛	101⅝	Treas 12¾pc 1992‡‡	112⅞	−⅛	11.67	10.66
100	88⅝	Treas 10pc 1992	99¼	.....	10.24	10.49
104	94¼	Treas 10½pc Cv 1992‡‡	99¾xd	.....	10.52	10.54
110¼	98¼	Exch. 12¼pc '92	109⅜	−⅛	11.45	10.76
117¾	105	Exch 13½pc 1992	114¼	−⅛	11.98	10.83
113⅛	101¼	Treas 12½pc 1993‡‡	113	.....	11.45	10.71
83⅛	74⅞	Funding 6pc 1993‡‡	82⅞	.....	7.31	9.26
121⅝	109¼	Treas 13¾pc 1993‡‡	115¼xd	.....	11.87	10.77
125¼	111¼	Treas 14½pc 1994‡‡	123⅛	.....	12.02	10.70
119⅛	108⅜	Exch 13½pc 1994	114⅞	−⅛	11.78	10.83
113¼	100⅛	Exch. 12½pc 1994	112	−⅛	11.42	10.79
95¼	86¼	Treas 9pc 1994‡‡	91½xd	−⅛	9.80	11.42
110⅝	98⅞	Treas 12pc 1995	110⅛	−⅛	11.24	10.80
71½	62¼	Gas 3pc '90-95	70xd	.....	4.29	7.48
100⅝	89⅝	Exch. 10¼pc 1995	100¼	−⅛	10.54	10.70
118¼	106¼	Treas 12¾pc 1995‡‡	111⅞xd	−⅛	11.36	10.73
123⅝	110⅛	Treas. 14pc '96	123⅛	.....	11.75	10.84
94¼	84½	Treas 9pc 1992-96‡‡	92½	.....	9.86	10.39
134⅛	121⅛	Treas 15¼pc 1996‡‡	127¼xd	.....	11.99	10.85
122¼	110¼	Exch 13¼pc 1996‡‡	115¼xd	.....	11.41	10.67
77¼	68½	Redemption 3pc 1986-96	76¼	.....	3.95	6.04
120¾	108⅛	Treas 13¼pc 1997‡‡	120¼	−⅛	11.39	10.70
102¼	90½	Exch 10½pc 1997	101⅞	−⅛	10.58	10.60
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Cont.

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Cont.

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
325	212	BPB Inds. 50p	325	.....	7.7	3.0	3.4	12.9
317	206	Baggeridge Brick	317	.....	6.25	3.7	2.8	13.6
32	20	Bailey (Ben) 10p	25	.....	0.25	—	1.4	—
42	25	Baldwin (H. J.) 10p	40	.....	—	—	—	15.7
120	66	Barratt Dev. 10p	120	.....	7.62	0.2	9.1	—
150	111	Bellway	150	.....	7.0	2.0	6.7	10.0
71	61	Benford M. 10p	62	.....	3.75	0.7	8.6	33.0
225	146	♦Berkeley Group	220	+8	d3.6	3.6	2.3	16.8
76	50	Bett Bros. 20p	70	.....	d3.1	1.6	6.3	12.3
910	540	Blockleys 20p	890	.....	†21.0	3.2	3.4	11.7
603	468	Blue Circle £1	598	−3	20.0	2.5	4.8	(9.5)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

For Abbeycrest see Industrials

[illegible]

DRAPERY & STORES—Cont.

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
540	178	Owen Owen	538	+3	♦13.8	4.3	1.0	29.4
107	68	♦Pepe Group 10p	86	.....	g3.0	2.6	5.0	11.1
97	56	Peters Stores 10p	68	.....	‡2.0	—	‡	—
118	100	Preedy (Alfred)	114	.....	3.87	1.4	4.9	21.6
170	126	♦Prestonrix Hdgs 10p	170	+5	b1.8	3.1	1.5	30.4
28	20	Ramar Texts. 5p	26	.....	†1.5	2.2	8.1	(6.6)
123	46	Ratners 10p	120	−1	2.5	1.3	3.0	37.2
39	23	Raybeck 10p	37	−½	†0.25	—	1.0	—
155	95	Reed Austin 'A' N.V.	155	.....	4.5	2.4	4.1	14.3
26	17	S&U Stores 12½p	26	.....	—	—	—	21.6
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

For Brown & Tawse see Industrials

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

FINANCE, LAND—Cont.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

MINES—Continued

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; [illegible]

- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- # Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	98	......	Arnotts	218	+3
Craig & Rose £1	700	......	CPI Hldgs	63	......
Finlay Pkg. 5p	54	......	Carrol Inds.	139	......
Higsons Brew	235	......	Dublin Gas	85	......
Holt (Jos) 25p	715	......	Hall (R. & H.)	60	......
IoM Stm. £1	84	−1	Heiton Hldgs.	21	......
IRISH			Irish Ropes	45	......
Fund 11¾% 1988	£101	......	Unidare	112	......
Nat. 9¾% 84/89	£96½	......	For Jacob (W. & R.) see Foods		
Fin. 13% 97/02	£105¼	......			

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

FINANCIAL TIMES

Saturday November 2 1985

Reagan offer fails to shift Russians

BY OUR FOREIGN STAFF

PRESIDENT REAGAN'S latest arms control proposals yesterday failed to alter the Soviet Union's public pessimism about the prospects of reaching a nuclear weapons reduction agreement wtih the US.

The proposals, which US arms negotiators tabled formally at the Geneva talks yesterday, *were firmly rejected by* Soviet commentators writing for the official news agency, Tass. They were an "old commodity in new wrappings," Tass said.

Mr Mikhail Gorbachev, the Soviet leader, made no direct response to the U.S. initiative, but he adopted a harsh and critical tone when referring to US policies in a speech given at a banquetin Moscow for Mengistu Haile Mariam, the Ethiopian leader.

Mr Gorbachev said Washington was striving to avoid tackling the question of how to stop the nuclear arms race and was bent instead on upsetting the strategic military balance.

The attack was directed largely at President Reagan's speech at the United Nations in New York last month, when Mr Reagan called on Moscow to co-operate in settling regional conflicts involving Soviet-backed Governments.

However, his tough tone and the Tass statements indicate that Moscow will keep up its pressure for changes in US positions right up to the Reagan-Gorbachev summit on November 19 and 20.

Moscow remains adamant that Mr Reagan's strategic defence initiative rules out an agreement limiting offensive nuclear weapons.

Soviet doubts about the strength of US desires for an agreement have apparently been strengthened this week by moves to the US Congress to approve a fiscal 1986 military budget approaching $300bn (£208bn).

Mr Gorbachev went out of his way last night to stress Moscow's desire for an agreement outlawing space weapons and for reciprocal cuts in nuclear weapons "on the basis of the principle of equality and equal security."

"Such is our will and such is our position for the forthcoming Soviet-American meeting in Geneva,' 'he said.

The US has not yet officially released details of Mr Reagan's latest proposals but officials in Washington confirmed earlier leaks that they would limit each side to 6,000 strategic warheads.

Of this total, 4,500 could be on ballistic missiles and 1,500 on intermediate range cruise missiles. But no more than 3,000 could be on land-based systems, which are the backbone of the Soviet nuclear capacity.

The U.S. proposals will be discussed at the Geneva arms talks next week following agreement by both sides to extend to Thursday the current negotiating round, which was due to end yesterday.

Their merits will also be commended by Mr George Shultz, the US Secretary of State, in Moscow on Monday and Tuesday at preparatory meetings for the summit.

Meanwhile, the Soviet Defence Ministry yesterday issued a brief statement challenging assertions by the North Atlantic Treaty Organisation on the numbers of SS20 missiles deployed by the Soviet Union.

With an eye on the deliberations of the Netherlands Government on deployment of cruise missiles because Moscow had not reduced its SS20 armoury, the ministry said it had 243 SS20s in the European part of the Soviet Union, and total deployment was far lower than the 441 claime dby Nato. In the event, the Ntherlands decided to go ahead with deployment.

Treasury offers three-year spending projections

By Philip Stephens and Peter Riddell

THE TREASURY is proposing to publish detailed public spending projections for the next three years in this month's autumn statement if a settlement of its differences with spending ministers is reached quickly.

Most of the disputes over next year's spending appeared last night to have been resolved following three weeks of meetings by the so-called Star Chamber committee under Lord Whitelaw. Leader of the Lords.

The committee has settled differences over energy prices, overseas aid and most of the *social security* budget. There still appear to be significant problems over housing and defence. Mrs Thatcher will be seeking to settle these before next Thursday's Cabinet meeting.

The aim, if all goes well, is to produce the statement in the week after next, possibly on Tuesday November 12.

Traditionally, it has included detailed spending targets for *only one year, even though the* ministerial negotiations cover three. The plan to break with tradition is aimed partly at countering expected criticism from MPs of the Treasury's decision to drop from the statement projections of the likely scope for tax cuts in the next Budget.

Mr Nigel Lawson, Chancellor of the Exchequer, has also decided against publishing revenue forecasts, since that would allow the fiscal adjustment to be calculated independently.

His reluctance to give any signals on the likely shape of the Budget stems from intense speculation over potential tax cuts late last year, which he believes may have contributed to January's sterling crisis.

The decision is likely to be criticised by MPs from all sides. The all-party Treasury and Civil Service Committee has been pressing for more information from the Government to give MPs a broader picture of the background to Budget decisions.

A formal decision to publish spending plans for three years depends on a more or less simultaneous agreement on departmental allocations for each year.

In the past, detailed differences over future years would have meant considerable delay if targets for those years were to have been included in the *statement.*

The Treasury, however, appears cautiously optimistic that it can secure a comprehensive agreement this year. It hopes to persuade MPs that the *extra information on spending* plans outweighs the omission of a fiscal adjustment figure.

The differences between the Treasury and the Defence Ministry have centred on a gap of about £500m, which reflects the ministry's wish to have some adjustment for higher-than-planned armed forces pay awards and the high inflation rate this year.

The Treasury has argued that some of this pressure should be offset by increased efficiency and cost savings on contracts.

On housing, the Environment Department has sought an additional £600m next year for housing investment. The Treasury has offered about £250m.

OTC plan for market outside SE

By George Graham

BRITAIN'S National Association of Security Dealers and Investment Managers yesterday announced plans for the creation of a formal market in over-the-counter shares outside the Stock Exchange.

The association, one of the self-regulatory organisations within the framework proposed for the financial services industry, applied to the Securities and Investments Board to become a recognised investment exchange. It has published draft rules to govern market-making in over-the-counter stocks, and plans to create a full market structure.

This would include the reporting of trades, settlement procedures and the provision of a central quotation system.

Some of Nasdim's members already run independent over-the-counter markets, including Hill Woolgar, Baynard, Guidehouse and Granville—four firms which are involved in securities dealing, along with providing other financial services. The largest OTC market-maker, Harvard Securties, belong to the more narrowly based rival association, the British Institute of Dealers in Securities, which comprises only OTC market-makers.

Like Nasdim, the institute has applied to the board for recognition as both a self-regulatory organisation and an investment exchange. *The SIB is expected* to begin to grant recognitions in October 1986, assuming that the Financial Services Bill is enacted by next July.

Nasdim's draft OTC rules govern principally the information required to when listing a company's shares, the information the company must continue to provide to investors while its shares are traded, and liquidity requirements for market-makers.

The listing requirements are designed to limit the OIC market mostly to companies which have at minimum, a three-year trading record and a market capitalisation of at least £500,000.

The proposed regulations cover the two varieties of OTC market-maker: those which deal as principals, taking positions in individual stocks and making a profit on the margin between buying and selling prices; and those acting as agents, matching buyers with sellers in return for commission.

Building society law outlined

BY CLIVE WOLMAN

INVESTORS in a building society which is taken over or becomes a public company will be granted limited rights to a share of its net assets, the Government said yesterday.

In addition, the discretionary powers of the Chief Registrar in supervising building societies are to be reduced and his powers transferred to a newly-established Building Societies Commission.

A preview of the contents of the Building Societies Bill, which the Government is to introduce to parliament within the next five weeks, was given last night by Mr Ian Stewart, the Economic Secretary to the Treasury. He was speaking to the North Hertfordshire Chartered Building Societies Institute.

The bill will allow building societies to convert to companies. But when first published, it will not include details of how this will be effected. Instead, the issues will be discussed in a consultative document. Mr Stewart said, and amendments to the bill will be made later.

The Government is apparently willing to accept the Building Societies Association's view that there must be safeguards against "asset strippers" who become investors in a building society, vote to convert it to a stock market-listed public company and seize ownership of its reserves. Outsiders may also be banned from taking a controlling stake in the first few years after a society has become a public company.

Another provision announced By Mr Stewart will allow one building society to take over another, even if its managers resist, by appealing directly to its investors. The "bidder" will for the first time be granted access to the register of members of the taregt society.

The BSA has publicly opposed this reform but it may be placated by a restriction outlined by Mr Stewart which would require that at least 20 per cent of the members of a smaller society should vote their approval of a merger with a larger one. Turnouts for such votes are usually small.

In addition, when societies merge, any bonus payments made out of reserves tomembers will be restricted, as will the compensation to retiring directors, Mr Stewart said. Both limits may be overriden by a special resolution of members.

Mr Michael Bridgeman, the Chief Refistrar, will become chairman and First Commissioner of the Building Societies Commission, towhich most of the staff of his registry will be transferred.

Societies will be able to appeal to an independent tribunal against commission decisions to close them down. The lack of appeal rights was highlighted when the New Cross society was closed in January 1984.

Most of the powers the Government proposes to grant to societies were outlined in a Green Paper last year and by Mr Stewart in June. Other innovations announced yesterday by Mr Stewart include:

● A statutory protection scheme for investors that will be modelled on that of the banks, with 75 per cent of an investor's money up to £10,000 being guaranteed.

● Most of the proposals on building society accounts and auditing are to be implemented, although Mr Stewart sidestepped the controversial issue of whether auditors may sometimes be expected to confer with the commission without informing the managers.

● Societies will be exempted from most of the Consumer Credit Act requirements only for first mortgage loans for buying or improving a house

Council tenders bill shelved

BY DAVID BRINDLE, LABOUR STAFF

THE GOVERNMENT has shelved a plan to compel local authorities to invite competitive tenders from the private sector for a range of public services, including refuse collection and school meals.

The measure will not appear in the Queen's Speech next Wednesday, although ministers had said it was their intention to act in the coming parliamentary session.

One reason for the deferral is thought to be the reluctance of Mr Kenneth Baker, the Environment Secretary, to take on controversial legislation so soon after the upheavals in local government caused by rate-capping and abolition of the metropolitan county councils and the Greater London Council.

Another likely reason is the patchy results of a broadly parallel measure in the National Health Service, where health authorities have been compelled to invite tenders for cleaning, catering and laundry work.

The local government tendering plan was put forward in a Green Paper last February. The central proposal was to force councils, which are already obliged to invite bids for building and maintenance work, to seek tenders for refuse collection and street cleaning, the cleaning of buildings, catering services, ground maintenance and vehicle maintenance.

Mr Patrick Jenkin, the then Environment Secretary, said few councils had proved willing to open their services to competition voluntarily and, subject to a consultation exercise, the *Government intended to legislate* in the next session of parliament. The system would probably come into force on April 1, 1987.

Since then, the NHS competitive tendering *programme has* been harshly criticised. Not only has it prompted controversy over allegedly poor performances by contractors and pay-cutting, but the all-party Commons Social Services Committee found that it had "failed to bring home the bacon."

The Health Department said this week that estimated annual savings resulting from the programme had reached £28m from 360 tendering exercises where 107 contracts had gone to companies and 233 had been retained in house.

Contractors are, however, increasingly unhappy with the programme and are about to begin a series of meetings with ministers to press for improvements. The companies claim they are winning fewer contracts because health authorities have devised ways of loading tender procedures against them.

Mr John Hall, general secretary of the Contract Cleaning and Maintenance Association, said: "We would be sorry to see the Green Paper shelved but in my view ministers have bitten off more than they can chew with the Health Service."

Privatisation as Queen's speech theme, Page 5

Continued from Page 1

S. Africa

laws have been made harsher by an amendment published by the Government yesterday allowing the Minister of Law and Order to extend the original 14-day detention period until the end of the state of emergency is declared "without notice to any person and without hearing any person."

Sir Geoffrey Howe, Foreign Secretary, last night attacked the expected curbs. Interviewed on Channel Four's programme A Week In Politics, he said: "Action of this kind does not deal with the substantive causes of the problem in South Africa."

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
Berisford (S. & W.)	167	+ 7
Brit Aerospace	455	+ 12
Commercial Union	252	+ 6
Cookson	337	+ 15
Distillers	465	+ 17
Ellis & Goldstein	72	+ 5
Granada	350	+ 8
GUS A	853	+ 23
HTV A N/V	160	+ 6
ICI	674	+ 25
Inveut Energy	400	+ 15
Lndn Edinburgh Tst	420	+ 20
Manchr Ship Canal	515	+ 35
Martonair Intl	348	+ 8
Micro Focus	145	+ 25
Norcros	212	+ 13
Provident Financial	312	+ 11
Rosehaugh	517	+ 4
Smith Bros	192	+ 6
Smith & Nephew	212	+ 9
Somportex	132	+ 7
Thorn EMI	377	+ 10
Upton (E.) A	33	+ 7
Vaux	380	+ 8
FALLS:		
Goodman Bros	32	− 6
NatWest Bank	663	− 18
Plessey	130	− 4
Telemetrix	350	− 53
Western Mining	156	− 11
Windsor Secs	56	− 6

WORLDWIDE WEATHER

UK today: Cold. Showers and sunny intervals. Gales in N.

	Y'day midday	°C	°F		Y'day midday	°C	°F		Y'day midday	°C	°F		Y'day midday	°C	°F
Ajaccio	F	21	70	Dublin	S	8	46	Madeira	F	21	70	Peking	S	11	52
Amsdm.	C	6	43	Dbrvnk.	S	19	66	Madrid	S	15	59	Perth	S	33	91
Athens	S	20	68	Edinbgh.	F	7	45	Majorca	S	22	72	Prague	C	6	43
Bahrain	S	29	84	Faro	S	21	70	Malaga	S	23	73	Rykjvk.	S	3	37
Barclna.	F	20	68	Florence	R	14	57	Malta	S	24	75	Rhodes	S	24	75
Belfast	F	8	46	Frankft.	C	6	43	M'chstr.	F	9	48	Rio J'o.†	—	—	—
Belgrd.	Fg	12	54	Geneva	R	9	48	Melbne.	S	20	68	Rome	F	21	70
Berlin	C	6	43	Gibrltr.	S	23	73	Mx. C.†	—	—	—	Salzbrg.	C	12	54
Biarritz	S	14	57	Gl'sg'w.	C	8	46	Miami†	F	24	75	S'cisco.†	F	10	50
Bmghm.	C	8	46	G'nsey.	F	11	52	Milan	C	12	54	Singapr.	F	29	84
Blackpl.	F	9	48	Helsinki	C	−1	30	Montrl.†	F	[illegible]	[illegible]	S'dago.†	—	—	—
Bombay	S	33	91	H. Kong	F	26	79	Moscow	C	4	39	Stckhm.	F	0	32
Bordx.	F	14	57	Innsbrk.	C	9	48	Munich	R	8	46	Strsbg.	C	11	52
Boulgn.	F	9	48	Invrnss.	R	7	45	Nairobi	F	25	77	Sydney	S	22	72
Bristol	C	9	48	I.o.Man	S	9	48	Naples	F	17	63	Tel Aviv	S	26	79
Brussels	R	6	43	Istanbul	S	16	61	Nassau	—	—	—	Tenerife	F	26	79
Budpst.	S	11	52	Jersey	C	10	50	Ncwstl.	F	6	43	Tokyo	R	15	59
Cardiff	S	10	50	Jo'burg.	F	21	70	N York†	F	7	45	Tr'nto.†	F	9	48
Cape T.	F	24	75	L. Pims.	S	26	79	N Delhi	S	29	84	Tunis	S	29	84
Chicg.†	R	13	55	Lisbon	S	16	61	Nice	T	14	57	Valencia	F	22	72
Cologne	F	8	46	Locarno	R	11	52	Nicosia	S	24	75	Venice	Fg	13	55
Cpnhgn.	C	6	43	London	C	6	43	Oporto	F	18	64	Vienna	Fg	5	41
Corfu	F	20	68	L. Ang.†	F	12	54	Oslo	R	4	39	Warsaw	C	3	37
Dallas†	F	8	46	Luxmbg.	C	5	41	Paris	C	6	43	Zurich	C	10	50

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. T—Thunder. † Noon GMT temperatures.

Tin

Continued from Page 1

were encouraged by Mr Brittan's statement because it indicated there was pressure within the tin council for a solution to the crisis. They are concerned, however, about the extension of the tin trading halt into next week, because it lengthens the uncertainty and will add to metal dealers' costs of carrying tin stocks.

One banker said last night that some of the uncertainty would be removed if the parents of LME members were *asked, possibly by the Bank, to* pledge support for their subsidiaries. However, with one apparent exception bankers seem to be preserving their credit lines to the market. "This is not the moment to call them in," said one.

On the LME, prices of metals improved yesterday, reflecting increased confidence that the crisis might be solved. However, there is still great unease among traders.

Steel sales pact

Continued from Page 1

the new restrictions is $62m (£43m).

EEC steel shipments to the US are worth $2.5bn a year. About a quarter of the steel produced in the community is exported and the US market takes a little less than 20 per cent of exports.

The Reagan administration has sought to protect the US industry by restricting imports to 18.5 per cent of the market —down from 25 per cent in 1984. It has been negotiating restraint agreements with all foreign suppliers. "We are less penalised by the Americans than *by any other market,"* Mr de Clercq claimed.

The agreement, to be approved by Washington and the EEC Council of Ministers, is much wider in scope than the EEC wanted. It is split thus:

● The 10 basic products, covered by a 1982 accord that will export on December 31, gives the EEC an average 5.57 per cent of the US market, compared with 5.47 per cent in the accord. The extra represents 125,000 tonnes in the 1986 quota of 3.87m tonnes.

● A further 11 products, which were not subject to tonnage limits in the 1982 agreement but only to consultations in the event of shipment surges, *become part of the agreement.* Since August, they have been under temporary restraint. The EEC market share here averages 3.77 per cent.

● Five stainless-steel products —wire, fabricated structurals, wire strand, wire rope and other stainless steel — not hitherto restricted will be subject to quotas.

● An additional five stainless products, now subject to unilateral US restrictions, will become part of the overall agreement when the safeguard measures expire.

● Agreement reached last year, to hold EEC pipes and tubes sales to 7.6 per cent of the US *market until the end of 1986*, will be extended to September 30, 1989.

THE LEX COLUMN

No drinkers at the trough

The London Stock Exchange must be feeling greatly unloved. It is bad enough that no queues are forming in front of its new and welcoming membership counter; but for some reason no-one is queuing up for new capital either. The only company to have raised a substantial quantity of fresh equity since the summer is BTR, which side-stepped the Stock Exchange and placed convertible bonds through the Euromarket. Leaving acquisition finance aside, there have been no big calls on the market since the Hanson Trust debacle in June.

The pressure of new issues around that time helped to knock almost eight per cent off the market in three weeks, so it was not surprising that finance directors should have *shelved their funding plans* over the summer. But the absence of rights issues since then is a genuine puzzle.

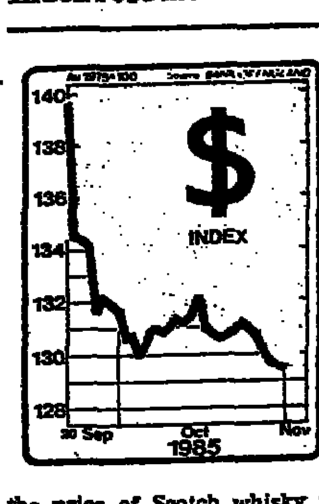
The London market is, after all, trading at record levels and shows no immediate sign of softening. The FT All-Share Index posted gains every day this week despite vigorous attempts by the jobbers to mark prices down and correct short positions. Real short term interest rates are high on almost any inflation assumption and the corporate debt market is as good as dead, so an equity market trading on an average *historic yield of under 4½ per* cent looks on the face of it an attractive source of funds.

Companies may reckon that they can raise equity more cheaply still early next year but it is unlikely that they will be received with much hospitality after the end of this month. The Cable & Wireless secondary offer should land in December and could easily be accompanied by a rights issue, while the calendar for next year is already filling up. Wellcome, TSB and British Airways head a list which will also include the final Telecom call and a first call from British Gas.

If the institutions are aware of the forthcoming demands on their resources, they are affecting not to show it. U.S. investors have been helping the market higher this week—Thursday's bull raid on Glaxo was followed yesterday by aggressive buying of ICI—but domestic players have not been far behind.

*The surplus cash is still find*ing its way into potential takeover stocks. Yesterday saw a revival of the rumour that Seagram's would bid for DCL and the market promptly pushed the price of Scotch whisky up another 17p to 465p. Better still, reports began to circulate that DCL was about to bid for S&N. But no-one seemed quite sure whether this meant Scottish & Newcastle or Smith & Nephew. Just to be safe, the institutions bought shares in both. It is that kind of market.

Index rose 1.5 to 1070.6



Oil and the pound

Sterling was back to its old tricks yesterday. When the United Arab Emirates oil minister confirmed on television *that the official Opec price struc*ture had broken down, the pound lost nearly two cents against the dollar. But the fact that it recovered again in the afternoon shows that foreign *exchange dealers are panicking* rather less and reflecting a little more.

The upshot of their reflections was that the news was not news at all. The apparent lack of concern at the last Opec meeting about the Saudis' price discounting showed that cheating on prices is now generally accepted. With an official rate that nobody adheres to, the only way of maintaining prices is to control output. And the meeting signally failed to impose any production discipline on member countries.

That the spot market is currently very firm has little to do with any deliberate Opec strategy. Demand is higher than expected because oil companies had delayed purchases during the summer in the expectation of lower prices today. And supply has been reduced by technical problems in the Soviet Union and bombs in Iran. But production has been stepped up since the end of September. Tankers that left the Middle East then are now discharging their cargo and there must be plenty still steaming through the Bay of Biscay. The next two or three weeks' weather will be critical for the spot market and the pound. If the Northern Hemisphere's Indian summer returns, both will feel the heat.

Even if prices remain firm through the winter, the first quarter of next year is almost certain to see more imbalance of supply and demand. As the warm weather approaches, and particularly once spring sets in, *demand could fall from around* 17m barrels per day to as little as 14½m. Traditionally, Saudi Arabia was the member on whom the production cutbacks fell, but its recent actions show that it has lost patience with being Opec's fall guy. Unless the December Opec meeting manages to impose discipline on the other members, prices could be very soggy come the spring.

This, of course, will be just around the time that Mr Lawson prepares his Budget. Presumably he will not want a repeat of last year's sterling crisis; but neither will he relish having to raise interest rates just when he wants to be stimulating the economy with tax cuts.

TSB

Tomorrow sees the start of the TSB's campaign to build up the largest shareholders' register in thecountry after British Telecom's. When the bank comes to the market in February, it hopes to be dishing out shares to over 1m people. But while almost everyone should know by Christmas what the TSB is, only the bold will be venturing an opinion as to what it is worth.

It is almost impossible to put a precise value on the TSB because no-one owns it at present and the cash being raised by the exercise will have a significant effect on the subsequent market capitalisation. If the TSB invests the proceeds in money market instruments and assets seem to be housed at the gilt-edged, where most of its moment, the multipled value of that revenue will be very much less than if it lends the new money out ate ompetitive retail rates. The best idea might be for the TSB to offer cheap advances with which prospective shareholders could finance their investment. Thewhole offer for sale enterprise is already so idiosyncratic that one more idiosyncracy would scarcely be noticed.